

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2017



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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
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**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**OFFICIAL ROSTER**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<u><b>Name</b></u>		<u><b>Title</b></u>
	<u>School Board</u>	
Dale Maes		President
Bruce Armenta		Vice President
Veronica Tso		Secretary
Elizabeth Gomez		Member
Tony DeHerrera		Member
	<u>District Officials</u>	
Kim Mizell		Superintendent
Jodie Maestas		Director of Finance
Tamara Nothstine		Business Manager
Patricia Marquez		Director of Federal Programs
Deborah Hernandez		Director of Human Resources
Ann Kluth-Clark		Director of Student Services
Lang Slayton		Director of Maintenance
Cheslea Williams		Director of Transportation

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**FINANCIAL SECTION**





# Manning Accounting and Consulting Services, LLC

## INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor  
The Office of Management and Budget  
And the Board of Education of  
Bloomfield Municipal School District No. 6  
Bloomfield, New Mexico

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of Bloomfield Municipal School District No. 6, (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, and accordingly, no such opinion is expressed.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 11 and Schedules I and II and notes to the required supplementary information on pages 53 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and other supplemental information required by 2.2.2 NMAC, Schedules III through VII are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, and Schedules III through VII on pages 81 through 87 required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, the Schedule of Expenditures of Federal Awards, and Schedules III through VII required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages i through iii and the Summary Schedule of Prior Audit Findings on pages 107 through 109 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Manning Accounting and Consulting Services, LLC*

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

October 24, 2017

BLOOMFIELD SCHOOLS  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For Fiscal Year Ending June 30, 2017

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2017.

**FINANCIAL HIGHLIGHTS**

State revenues accounted for \$22.9 million or 61% of total revenues, Local revenues accounted for \$9.3 million or 25% and Federal revenues accounted for \$5.1 million or 14%

The general operational fund reported a positive cash balance of \$4,225,916 after a \$902,621 loan to the districts' reimbursable Federal funds; for an actual cash balance of \$5,128,537 or 20.6% of the \$24,917,070 budget in Fiscal Year 2017. This is a \$623,226 increase over fiscal year 2015.

The District sold bonds to refund most of the 2009 series. Proceeds from the new bonds generated \$10,895,000 par value plus a premium of \$785,012. The district deposited into escrow \$11,539,106 for the retirement of principal and interest for the 2009 series.

For FY17, Capital Outlay expenditures totaled \$1,964,494 for district equipment, technology, facility and ground maintenance throughout the district. The debt service fund had expenditures totaling \$6,362,875 for bond principal and interest payments, as well as county treasurer fees.

**USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

The Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities for the fiscal year. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenue and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes to it. The Change in Net Position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

### Fund Financial Statements

The basic financial statements begin immediately following this section. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's governmental funds use different accounting approaches as further described in the notes to the financial statements.

### Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

### Government-wide Financial Analysis

As noted earlier, the Statement of Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Bloomfield School District, liabilities and deferred inflows exceeded assets and deferred outflows by \$3.3 million (see page 12) at the close of this fiscal year. This is an increase in net position of \$0.7 million from fiscal year 2016 due to an increase of net revenue.

A significant portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An analysis of fiscal year 2017 follows:

	<u>Changes in Net Position</u>	
	<u>2017</u>	<u>2016</u>
Current Assets	\$ 10,073,061	\$ 8,982,362
Restricted and Capital Assets	71,685,503	75,140,449
Total Assets	81,758,564	84,122,811
Deferred Outflows of Resources	6,406,079	3,702,595
Total Assets and Deferred Outflows Of Resources**	<u>88,164,643</u>	<u>87,825,406</u>
Current Liabilities		
Current Liabilities	7,356,589	6,915,092
Long Term Liabilities *	83,478,274	83,679,344
Deferred Inflows of Resources* *	616,088	1,203,971
Total Liabilities and Deferred Inflows of Resources	<u>91,450,951</u>	<u>91,798,407</u>
Invested in Capital Assets	18,454,942	16,794,324
Restricted	11,031,676	10,384,214
Unrestricted	(32,772,926)	(31,151,539)
Total Net Position	<u>(\$ 3,286,308)</u>	<u>(\$ 3,973,001)</u>

\*Includes the net pension liability of \$36,911,997

\*\*Change in deferred costs on debt refunding, pension experience, proportion, assumptions, and actuarial experience

An additional portion of the District's net position represents resources subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position may be used to meet the District's ongoing activities.

Statement of Activities

	<u>2017</u>	<u>2016</u>
Revenues		
Program Revenues		
Charges for Services	587,347	564,157
Operating grants	6,976,897	6,693,546
Capital grants and contributions	<u>67,315</u>	<u>78,266</u>
Total Program Revenues	<u>7,631,559</u>	<u>7,335,969</u>
General Revenues		
Property and Oil and Gas Taxes	8,528,660	7,680,392
Grants and contributions not restricted	21,083,880	21,905,633
Investment Earnings	22,945	11,205
Miscellaneous income	41,515	130,783
Total General Revenues	<u>29,677,000</u>	<u>29,728,013</u>
Reversions to State	(851)	(1,723)
	<hr/>	<hr/>
Grand Total All Revenues	<u>\$ 37,307,708</u>	<u>\$ 37,062,259</u>
Expenses		
Instruction	\$ 18,295,701	\$ 17,684,371
Support Services - Students	3,112,208	3,058,961
Support Services - Instruction	623,723	641,016
Support Services - General Administration	1,013,369	1,156,013
Support Services - School Administration	2,529,116	2,607,565
Other Services	2,278	2,766
Central Services	1,202,062	1,080,396
Operations & Maintenance of Plant	3,365,826	3,490,471
Student Transportation	1,127,126	1,133,618
Food Services	1,887,642	1,920,182
Other Support Services	1,622,575	2,478,359
Community Services	15	2,198
Bond interest paid	<u>1,850,610</u>	<u>2,033,110</u>
Total governmental activities	<u>36,632,251</u>	<u>37,289,026</u>
Gain (loss) on asset disposal	11,236	18,256
Change in Net Position	<u>\$ 686,693</u>	<u>\$ (208,511)</u>

## Governmental Activities

As noted in the side-by-side comparison of revenues and expenditures between FY17 and FY16; the change in net position of the District's governmental activities was a decrease in the prior year and an increase in the current year.

The property tax laws in New Mexico create the need to periodically seek voter approval for additional capital outlay funds. The last 2-mill levy was approved by the voters in February 2013. Tax revenue generated from the 2-mill levy provided \$2.60 million for fiscal year 2017. School districts such as ours are dependent upon property taxes as a primary source of revenue to maintain facilities and purchase equipment district-wide.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. The increase in net cost is attributed to increases in salaries, benefits and programs in 2017. General revenues, including tax revenue, investment earnings, and unrestricted State entitlements must support the net cost of program services.

	Net cost of Services 2017	Net cost of Services 2016
Instruction	\$ (14,679,458)	\$ (14,124,614)
Support Services - Students	(2,489,582)	(2,638,068)
Support Services - Instruction	(599,257)	(628,827)
Support Services - General Administration	(1,013,369)	(1,156,013)
Support Services - School Administration	(2,529,116)	(2,607,565)
Central Services	(857,007)	(978,608)
Operations & Maintenance of Plant	(3,217,780)	(3,334,647)
Student Transportation	(97,330)	(30,251)
Other Support Services	(2,278)	(2,766)
Food Services	(343,562)	(247,518)
Community Services	(15)	(2,198)
Bond interest paid	(1,549,363)	(1,732,510)
	<u>(1,622,575)</u>	<u>(2,469,472)</u>
Facilities, materials, supplies		
	<u>\$ (29,000,692)</u>	<u>\$ (29,953,057)</u>
Total governmental activities		

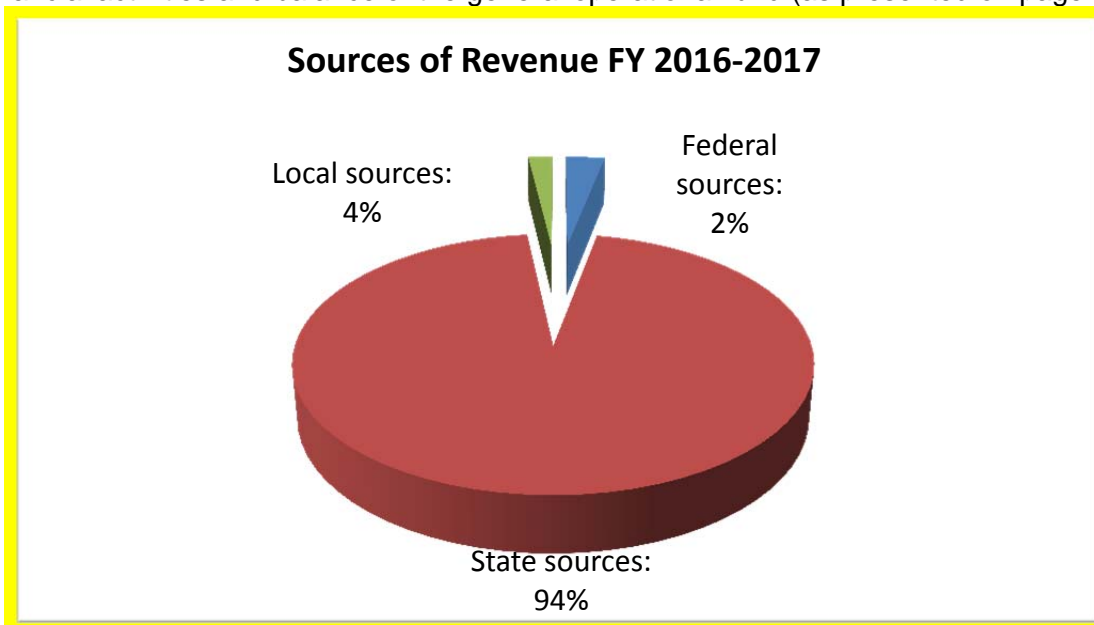
**THE DISTRICT'S FUNDS**

The District's governmental funds (as presented on the balance sheets on page 17, 18 and 56) reported a combined fund balance of \$14,912,354. The schedule below indicates the fund balance by type as of June 30, 2017.

	<u>Fund Balance</u> <u>June 30, 2017</u>	<u>Fund Balance</u> <u>June 30, 2016</u>
General Fund	\$ 4,057,247	\$ 4,172,725
Special Revenue	1,075,974	767,800
Debt Service	6,598,602	6,928,289
Capital Projects	<u>3,180,531</u>	<u>2,484,547</u>
Total	<u>\$ 14,912,354</u>	<u>\$ 14,353,361</u>

**Operational Fund**

The District's general operational fund balance is primarily due to the effective management and oversight of District financial resources. The tables and graphs that follow assist in illustrating the financial activities and balance of the general operational fund (as presented on page 16).



	<b>Sources of Revenue</b>		
	<u>FY 2016-2017</u>	<u>FY 2015-2016</u>	<u>FY 2014-2015</u>
Federal sources:	\$ 389,761	\$ 651,077	\$ 661,652
State sources:	20,531,402	21,192,092	20,421,462
Local sources:	<u>823,036</u>	<u>580,284</u>	<u>654,312</u>
Total revenues	<u>\$21,744,199</u>	<u>\$22,423,453</u>	<u>\$21,737,426</u>



Operational Fund (continued)

The chart below shows General Operational Fund expenditures by functional categories for the past three fiscal years and that the largest portion of general fund expenditures is spent for direct instruction.

<u>2016-2017</u>	<u>Total Operational Expenditures</u>	<u>\$21,671,416</u>
<u>2015-2016</u>	<u>Total Operational Expenditures</u>	<u>\$21,588,444</u>
<u>2014-2015</u>	<u>Total Operational Expenditures</u>	<u>\$21,520,620</u>

	2016-2017	2015-2016	2014-2015
	% by Function	% by Function	% by Function
Direct Instruction	60%	59.6%	59.8%
Support Services Students	8%	7.6%	8.3%
Support Services Instruction	2%	2.3%	2.3%
General Administration	4%	3.8%	3.6%
School Administration	8%	9.1%	9.1%
Central Services	4%	3.4%	3.1%
Operation and Maint of Plant	14%	14.2%	13.6%
Student Transportation	0.0%	0.0%	0.0%
Other Support Services	0.0%	0.0%	0.2%
Food Services	0.0%	0.0%	0.0%
Community Services	0.0%	0.0%	0.0%
Capital Outlay	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%

Other Funds

The District's debt service fund balance decreased by \$(326,419) over the prior fiscal year, primarily due to increased principle and interest payments on debt. The expenses of the fund include debt principal and interest payments, as well as treasurer fees.

The capital improvement (SB-9 funds) \$701,580 increase in fund balance resulted from an increase in tax revenues and an decrease of expenditures.

### Other Funds (continued)

Other governmental funds consist of special revenue funds that normally are based on limited annual funding for a specific purpose. In FY17, the larger funds consisted of: 1) Title I grant in the amount of \$935,081 used to target Elementary and Secondary disadvantaged students. 2) IDEA B is a federal grant that serves handicapped children in the amount of \$649,198. 3) The district also received the STEM grant for the amount of \$423,462. This provided salary for four math coaches and funded the math classroom at the middle school.

### General Fund Budget Information

The District's budget is prepared in accordance with New Mexico State Public Education law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District utilizes input from the Board of Education, the Board of Education Finance Committee, the Superintendent, Director of Finance, Principals, Directors, Supervisors, District staff, and community members to assist in the development of the annual budget.

### Capital Assets

The District has \$65.2 million invested in capital assets net of depreciation all in governmental activities. Detailed information regarding capital asset activity is included on page 40.

On February 12, 2013, the voters passed a Public School Capital Improvement Tax (2-mill) for property tax years 2013 through 2018. The funds are used for a wide range of projects including building and equipment maintenance, furniture, technology and equipment purchases. For the fiscal year ended June 30, 2017 the tax provided just over \$2.6 million in revenues. The next Public School Capital Improvement Tax (2-mill) election will be in February 2019.

### Debt

As of June 30, 2017, the District had \$45,060,000 in outstanding bonds payable. Due to the current economic conditions in San Juan County and the districts' bonding capacity; the district does not anticipate seeking approval for additional bonds until at least 2020.

### Restrictions and Other Limitations

With the support of the proceeds from past bond issues and the passage of the 2-mill levy, the District has been able to provide the necessary funds to maintain its facilities. The District's financial position is very sound as of June 30, 2017; however, future financial stability is not without its challenges.

The first challenge is for management to effectively and efficiently manage available resources to assure that all required educational services are provided. Maintaining student membership numbers is of vital importance in generating revenues necessary to continue educational programs. The loss of students over a prior ten year period has resulted in less revenue, which has caused the District to decrease the number of employees, facilities currently utilized and educational services offered. The district continues to spend frugally to ensure that the district always has ample cash reserves for the future.

The second challenge facing the District is based on the state's economy. The District's funding is determined by a calculation (State Equalization Guarantee) that distributes the dollars appropriated to public education by the State Legislature. There are many factors involved in this funding formula; including a Training & Experience (T&E) Index that is based on the training and experience level of certified staff. This T&E Index has been declining over the last three years with seasoned staff retiring and less experienced staff replacing them. The T&E Index recently completed for the FY18 fiscal year funding was up slightly; however the at-risk index went down, which translates into a small decrease in revenue for FY18.

### **CONTACTING THE BLOOMFIELD SCHOOL DISTRICT**

This financial report is designed to provide our community, taxpayers, investors and creditors with an overview of the Bloomfield School District financial condition and to provide accountability for the funds the District receives. If you have questions about our report, please contact:

Director of Finance  
Bloomfield School District  
325 N. Bergin Lane  
Bloomfield, NM 87413  
505-632-4328

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**BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF NET POSITION  
 JUNE 30, 2017

Exhibit A-1

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and temporary investments	\$ 8,322,356
Receivables (net of allowance for uncollectibles)	1,511,604
Inventory	239,101
<i>Total current assets</i>	<u>10,073,061</u>
<i>Noncurrent assets</i>	
Restricted Cash	6,435,614
Capital assets (net of accumulated depreciation):	
Land and land improvements	9,084,481
Buildings and building improvements	132,624,558
Furniture, fixtures and equipment	8,838,339
Less: accumulated depreciation	<u>(85,297,489)</u>
<i>Total noncurrent assets</i>	<u>71,685,503</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred costs on debt refunding	436,389
Pension - change in proportion	215,315
Pension - change in assumptions	839,054
Pension - change in investment experience	2,460,432
Pension - actuarial experience	178,823
Pension - employer contributions after measurement date	<u>2,276,066</u>
<i>Total deferred outflows</i>	<u>6,406,079</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 88,164,643</u>
<b>LIABILITIES</b>	
<i>Current liabilities</i>	
Accounts payable	\$ 150,604
Accrued payroll liabilities	1,221,172
Accrued interest payable	715,172
Current maturities of:	
Bonds payable	5,000,000
Compensated absences	<u>269,641</u>
<i>Total current liabilities</i>	<u>7,356,589</u>
<i>Noncurrent liabilities:</i>	
<i>Bond premiums, net of amortization of \$2,099,062</i>	2,171,336
Bonds payable	40,060,000
Compensated absences	27,925
Net pension liability	<u>41,219,013</u>
<i>Total noncurrent liabilities</i>	<u>83,478,274</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension - change in actuarial experiences	392,045
Pension - change in proportion	<u>224,043</u>
<i>Total deferred inflows</i>	<u>616,088</u>
<b>NET POSITION</b>	
Invested in capital assets	18,454,942
Restricted for:	
Debt service	6,775,472
Capital projects	3,220,988
Other purposes - special revenue	1,035,216
Unrestricted	<u>(32,772,926)</u>
<i>Total net position</i>	<u>(3,286,308)</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 88,164,643</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2017

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government</b>					
Governmental activities:					
Instruction	\$ 18,295,701	\$ 115,496	\$ 3,500,747	\$ -	\$ (14,679,458)
Support services:					
Students	3,112,208	-	622,626	-	(2,489,582)
Instruction	623,723	-	24,466	-	(599,257)
General administration	1,013,369	-	-	-	(1,013,369)
School administration	2,529,116	-	-	-	(2,529,116)
Other	2,278	-	-	-	(2,278)
Central services	1,202,062	345,055	-	-	(857,007)
Operation & maintenance of plant	3,365,826	80,731	-	67,315	(3,217,780)
Student transportation	1,127,126	-	1,029,796	-	(97,330)
Food services operations	1,887,642	46,065	1,498,015	-	(343,562)
Community services	15	-	-	-	(15)
Interest on long-term debt	1,850,610	-	301,247	-	(1,549,363)
Facilities materials, supplies, & other services	1,622,575	-	-	-	(1,622,575)
Total Primary Government	<u>\$ 36,632,251</u>	<u>\$ 587,347</u>	<u>\$ 6,976,897</u>	<u>\$ 67,315</u>	<u>(29,000,692)</u>
<b>General Revenues:</b>					
Property taxes:					
Levied for general purposes 212,751					
Levied for debt service 4,464,625					
Levied for capital projects 985,270					
Oil and gas taxes 2,866,014					
State Equalization Guarantee 20,531,402					
Unrestricted Federal grants 552,478					
Unrestricted investment earnings 22,945					
Gain on disposal of fixed assets 11,236					
Miscellaneous 41,515					
Reversion to State (851)					
Total general revenues <u>29,687,385</u>					
Change in net position 686,693					
Net position - beginning of year <u>(3,973,001)</u>					
Net position - end of year <u>\$ (3,286,308)</u>					

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>ASSETS</b>			
<i>Current assets:</i>			
Cash and temporary investments	\$ 4,225,916	\$ -	\$ 44,839
Accounts receivable			
Taxes	18,211	-	-
Due from other governments	-	-	-
Interfund receivables	902,621	-	-
Other	25,661	-	-
Inventory	110,682	93,730	-
<i>Total assets</i>	<u>5,283,091</u>	<u>93,730</u>	<u>44,839</u>
<b>LIABILITIES</b>			
<i>Current liabilities:</i>			
Accounts payable	134,692	1,331	-
Accrued payroll liabilities	1,220,914	258	-
Interfund payables	-	-	-
<i>Total liabilities</i>	<u>1,355,606</u>	<u>1,589</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - property taxes	7,218	-	-
<i>Total deferred inflows of resources</i>	<u>7,218</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	110,682	93,730	-
Restricted for:			
Transportation	-	-	-
Instructional materials	-	-	-
Grant mandates	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	2,622,084	-	44,839
Unassigned	1,187,501	(1,589)	-
<i>Total fund balances</i>	<u>3,920,267</u>	<u>92,141</u>	<u>44,839</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 5,283,091</u>	<u>\$ 93,730</u>	<u>\$ 44,839</u>

The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2017

	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Primary Government
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and temporary investments	\$ 2,941,068	\$ 6,435,614	\$ 1,110,533	\$ 14,757,970
Accounts receivable				
Taxes	206,208	281,659	-	506,078
Due from other governments	67,315	-	912,550	979,865
Interfund receivables	-	-	-	902,621
Other	-	-	-	25,661
Inventory	-	-	34,689	239,101
<i>Total assets</i>	<u>3,214,591</u>	<u>6,717,273</u>	<u>2,057,772</u>	<u>17,411,296</u>
<b>LIABILITIES</b>				
<i>Current liabilities:</i>				
Accounts payable	14,581	-	-	150,604
Accrued payroll liabilities	-	-	-	1,221,172
Interfund payables	-	-	902,621	902,621
<i>Total liabilities</i>	<u>14,581</u>	<u>-</u>	<u>902,621</u>	<u>2,274,397</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	40,457	176,870	-	224,545
<i>Total deferred inflows of resources</i>	<u>40,457</u>	<u>176,870</u>	<u>-</u>	<u>224,545</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	34,689	239,101
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	-	-
Grant mandates	-	-	343,062	343,062
Capital projects	785,234	-	-	785,234
Debt service	-	-	-	-
Assigned	2,374,319	6,540,403	777,897	12,359,542
Unassigned	-	-	(497)	1,185,415
<i>Total fund balances</i>	<u>3,159,553</u>	<u>6,540,403</u>	<u>1,155,151</u>	<u>14,912,354</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 3,214,591</u>	<u>\$ 6,717,273</u>	<u>\$ 2,057,772</u>	<u>\$ 17,411,296</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 GOVERNMENTAL FUNDS  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2017

Exhibit B-2

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	\$ 14,912,354
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets is	150,547,378
Accumulated depreciation is	(85,297,489)
Contributions to the pension plan are expensed in the governmental funds but are deferred outflows for government-wide statements.	2,276,066
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as deferred revenues on the balance sheet.	
Delinquent property taxes	224,545
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in governmental funds.	
Deferred outflows of resources related to deferred costs on refunding	436,389
Deferred outflows of resources related to change in proportion	215,315
Deferred outflows of resources related to change in assumptions	839,054
Deferred outflows of resources related to investment experience	2,460,432
Deferred outflows of resources related to actuarial experience	178,823
Deferred inflows of resources related to actuarial experience	(392,045)
Deferred inflows of resources related to change in proportion	(224,043)
Bond issuance costs, including original issue discounts and premiums are not financial resources and therefore are not reported in the funds.	
Bond premiums net of accumulated amortization	(2,171,336)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:	
Accrued interest payable	(715,172)
Bonds payable	(45,060,000)
Accrued compensated absences	(297,566)
Net pension liability	<u>(41,219,013)</u>
Total net position - governmental activities	<u>\$ (3,286,308)</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit B-3

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<i>Revenues:</i>			
Property taxes	\$ 212,605	\$ -	\$ -
Oil and gas taxes	126,459	-	-
State grants	20,531,402	932,941	181,111
Federal grants	389,761	-	-
Miscellaneous	303,935	9,654	-
Charges for services	171,592	-	-
Investment income	8,445	-	-
<i>Total revenues</i>	<u>21,744,199</u>	<u>942,595</u>	<u>181,111</u>
<i>Expenditures:</i>			
Current:			
Instruction	13,007,979	-	303,407
Support services			
Students	1,726,167	-	-
Instruction	500,699	-	-
General administration	747,765	-	-
School administration	1,835,130	-	-
Central services	829,409	-	-
Operation & maintenance of plant	3,021,989	-	-
Student transportation	-	1,007,062	-
Other support services	2,278	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>21,671,416</u>	<u>1,007,062</u>	<u>303,407</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>72,783</u>	<u>(64,467)</u>	<u>(122,296)</u>
<i>Other financing sources (uses):</i>			
Operating transfers / reversions to state	(647)	(851)	-
Proceeds from bond issues	-	-	-
Payment to refunded bond escrow agent	-	-	-
Bond underwriter premium	-	-	-
<i>Total other financing sources (uses)</i>	<u>(647)</u>	<u>(851)</u>	<u>-</u>
<i>Net changes in fund balances</i>	72,136	(65,318)	(122,296)
<i>Fund balances - beginning of year</i>	<u>3,848,131</u>	<u>157,459</u>	<u>167,135</u>
<i>Fund balances - end of year</i>	<u>\$ 3,920,267</u>	<u>\$ 92,141</u>	<u>\$ 44,839</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit B-3

	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Primary Government
<i>Revenues:</i>				
Property taxes	\$ 986,380	\$ 4,457,586	\$ -	\$ 5,656,571
Oil and gas taxes	1,610,212	1,129,343	-	2,866,014
State grants	67,315	-	1,208,432	22,921,201
Federal grants	-	301,247	4,427,031	5,118,039
Miscellaneous	2,380	-	85,274	401,243
Charges for services	-	-	162,125	333,717
Investment income	3,975	7,374	3,151	22,945
<i>Total revenues</i>	<u>2,670,262</u>	<u>5,895,550</u>	<u>5,886,013</u>	<u>37,319,730</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	2,518,746	15,830,132
Support services				
Students	-	-	907,791	2,633,958
Instruction	-	-	25,399	526,098
General administration	9,822	44,359	89,458	891,404
School administration	-	-	286,073	2,121,203
Central services	-	-	-	829,409
Operation & maintenance of plant	-	-	-	3,021,989
Student transportation	-	-	118,233	1,125,295
Other support services	-	-	-	2,278
Food services operations	-	-	1,636,001	1,636,001
Community services	-	-	15	15
Capital outlay	1,958,860	-	5,634	1,964,494
Debt service				
Principal	-	4,555,000	-	4,555,000
Interest	-	1,622,610	-	1,622,610
Bond issuance costs	-	143,332	-	143,332
<i>Total expenditures</i>	<u>1,968,682</u>	<u>6,365,301</u>	<u>5,587,350</u>	<u>36,903,218</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>701,580</u>	<u>(469,751)</u>	<u>298,663</u>	<u>416,512</u>
<i>Other financing sources (uses):</i>				
Operating transfers / reversions to state	-	-	647	(851)
Proceeds from bond issues	-	10,895,000	-	10,895,000
Payment to refunded bond escrow agent	-	(11,536,680)	-	(11,536,680)
Bond underwriter premium	-	785,012	-	785,012
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>143,332</u>	<u>647</u>	<u>142,481</u>
<i>Net changes in fund balances</i>	701,580	(326,419)	299,310	558,993
<i>Fund balances - beginning of year</i>	<u>2,457,973</u>	<u>6,866,822</u>	<u>855,841</u>	<u>14,353,361</u>
<i>Fund balances - end of year</i>	<u>\$ 3,159,553</u>	<u>\$ 6,540,403</u>	<u>\$ 1,155,151</u>	<u>\$ 14,912,354</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Exhibit B-4

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ 558,993
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlays for the period.	
Depreciation expense	(3,925,502)
Capital outlays	851,846
Revenues not collected within 60 days after the fiscal year-end are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year end were:	
Unavailable revenue related to the property taxes receivable	6,075
Other unavailable revenues	(6,010)
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first, whereas these amounts are deferred and amortized in the Statement of Activities:	
Amortization of bond premium	622,897
Accrued interest payable	(65,355)
Accrued compensated absences	(15,590)
Capitalization of bond refunding costs	436,389
Bond premium capitalized	(785,012)
Bond proceeds	(10,895,000)
Payment to refunded bond escrow agent for future principle payment	10,800,000
Bond principle payments	4,555,000
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the pension benefits earned net of employee contributions is reported as pension expense.	
Pension contributions - current year	2,276,066
Pension expense	(3,728,104)
Change in net position - total governmental activities	<u>\$ 686,693</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**OPERATIONAL FUND (11000)**  
**FOR THE YEAR ENDING JUNE 30, 2017**

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 170,000	\$ 170,000	\$ 212,041	\$ 42,041
Oil and gas taxes	200,000	200,000	118,155	(81,845)
State grants	21,157,465	20,836,545	20,549,167	(287,378)
Federal grants	554,305	554,305	392,820	(161,485)
Miscellaneous	50,500	61,250	303,935	242,685
Charges for services	159,916	159,916	171,592	11,676
Investment income	2,800	2,800	8,445	5,645
<i>Total revenues</i>	<u>22,294,986</u>	<u>21,984,816</u>	<u>21,756,155</u>	<u>(228,661)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	15,794,647	15,260,947	12,502,294	2,758,653
Support services				
Students	1,914,296	1,874,381	1,720,912	153,469
Instruction	493,920	530,204	496,814	33,390
General administration	802,761	843,643	740,765	102,878
School administration	2,018,270	1,921,161	1,839,521	81,640
Central services	763,560	902,141	831,150	70,991
Operation & maintenance of plant	3,083,603	3,473,292	2,998,548	474,744
Student transportation	-	-	-	-
Other support services	46,013	51,013	2,278	48,735
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>24,917,070</u>	<u>24,856,782</u>	<u>21,132,282</u>	<u>3,724,500</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2,622,084)</u>	<u>(2,871,966)</u>	<u>623,873</u>	<u>3,495,839</u>
<i>Other financing sources (uses):</i>				
Designated cash	2,622,084	2,871,966	-	(2,871,966)
Operating transfers	-	-	(647)	(647)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,622,084</u>	<u>2,871,966</u>	<u>(647)</u>	<u>(2,872,613)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>623,226</u>	<u>623,226</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,505,311</u>	<u>4,505,311</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4,505,311</u>	<u>4,505,311</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,128,537</u>	<u>\$ 5,128,537</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 623,226	
Adjustments to revenues			(11,956)	
Adjustments to expenditures			(539,134)	
Net change in fund balance (GAAP basis)			<u>\$ 72,136</u>	

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**TRANSPORTATION FUND (13000)**  
**FOR THE YEAR ENDING JUNE 30, 2017**

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	1,077,137	981,643	932,941	(48,702)
Federal grants	-	-	-	-
Miscellaneous	-	9,653	9,654	1
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>1,077,137</u>	<u>991,296</u>	<u>942,595</u>	<u>(48,701)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant				
Student transportation	1,077,137	991,296	990,982	314
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,077,137</u>	<u>991,296</u>	<u>990,982</u>	<u>314</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(48,387)</u>	<u>(48,387)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	(851)	(851)
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(851)</u>	<u>(851)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(49,238)</u>	<u>(49,238)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>49,238</u>	<u>49,238</u>
Prior period adjustments	-	-	-	-
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>49,238</u>	<u>49,238</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (49,238)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>(16,080)</u>	
Net change in fund balance (GAAP basis)			<u>\$ (65,318)</u>	

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**INSTRUCTIONAL MATERIALS FUND (14000)**  
**FOR THE YEAR ENDING JUNE 30, 2017**

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	166,006	136,272	181,111	44,839
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>166,006</u>	<u>136,272</u>	<u>181,111</u>	<u>44,839</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	333,141	303,407	303,407	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>333,141</u>	<u>303,407</u>	<u>303,407</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(167,135)</u>	<u>(167,135)</u>	<u>(122,296)</u>	<u>44,839</u>
<i>Other financing sources (uses):</i>				
Designated cash	167,135	167,135	-	(167,135)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>167,135</u>	<u>167,135</u>	<u>-</u>	<u>(167,135)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(122,296)</u>	<u>(122,296)</u>
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>167,135</u>	<u>167,135</u>
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Adjusted cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>167,135</u>	<u>167,135</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,839</u>	<u>\$ 44,839</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (122,296)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (122,296)</u>	

The accompanying notes are an integral part of these financial statements.



**STATE OF NEW MEXICO**  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
AGENCY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2017

Exhibit D-1

	<u>Agency Funds</u>
<b>ASSETS</b>	
<i>Current assets</i>	
Cash	\$ 258,452
<i>Total assets</i>	<u>258,452</u>
 <b>LIABILITIES</b>	
<i>Current liabilities</i>	
Deposits held in trust for others	<u>258,452</u>
<i>Total liabilities</i>	<u>\$ 258,452</u>

The accompanying notes are an integral part of these financial statements.

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**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**                      **Summary of Significant Accounting Policies**

Bloomfield Municipal School District No. 6 (the “District”) is a public school District governed by an elected five-member Board of Education created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District boundaries. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements.

During the year ended June 30, 2017, the District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The provisions of GASB No. 73 established requirements for defined benefit pensions that are not within the scope of Statement No. 68. The provisions of GASB No. 74 improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The provisions of GASB No. 77 are intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The provisions of GASB No. 78 address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The provisions of GASB No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. These pronouncement are not expected to have a material effect on the District.

The more significant of the government’s accounting policies are described below.

A.            *Financial Reporting Entity*

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**      **Summary of Significant Accounting Policies (Continued)**

A.      *Financial Reporting Entity (Continued)*

The basis, but not the only criterion for including a potential component unit within the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criteria used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District does not have a component unit and is not a component unit of another government agency.

B.      *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The District reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the statement of activities. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 1**      **Summary of Significant Accounting Policies (Continued)**

C.      *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

***Deferred Outflows of Resources*** – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets; therefore, it is not recognized as an outflow of resources (expense) until then.

***Deferred Inflows of Resources*** – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities; therefore, it is not recognized as an inflow of resources (revenue) until that time.

***Net Position*** – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

Governmental funds are used to account for the District’s general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**            **Summary of Significant Accounting Policies (Continued)**

C.            *Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)*

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The General Fund includes the Operational, Transportation, and Instructional Materials Funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB Statement No. 34, the District is required to present some of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

The *Operational Fund* (11000) accounts for the primary revenues and expenditures of the District, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

The *Transportation Fund* (13000) accounts for state equalization funds authorized by Section 22-8-26, NMSA, 1978 designated for the costs of transporting school-age children who are students within the District. This fund is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* (14000) accounts for funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

The *Capital Improvements SB-9 Capital Projects Fund* (31700) is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

The *Debt Service Fund* (41000) is used to account for the accumulation of resources for the payment of general long-term debt principal and interest.

Additionally, the government reports the following fund types:

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The fiduciary funds are for student activities.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**      **Summary of Significant Accounting Policies (Continued)**

*C. Measurement focus, basis of accounting, and financial statement presentation (continued)*

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

*D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity*

**Cash and Temporary Investments:** The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the District to invest in certificates of deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool. Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

**Restricted Assets:** The Debt Service Fund is used to report resources set aside as restricted to make up potential future deficiencies in the revenue bond current debt service account.

**Receivables and Payables:** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in San Juan County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the San Juan County Treasurer in July and August 2017 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2017.

Certain Special Revenue Funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**                      **Summary of Significant Accounting Policies (Continued)**

*D.        Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)*

**Inventory:** The District accounts for its inventories under the consumption method, reporting inventories purchased as an asset. The recognition of the expenditures is deferred until the period in which the inventories are actually consumed. Inventory in the Food Services Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information technology equipment, including software, is being capitalized and included in furniture and equipment in accordance with NMAC 2.20.1.9 C (5). Capital expenditures made by the New Mexico Public Schools Facilities Authority are appropriately included in the District’s capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District expenses the cost of library books when purchased because their estimated useful life is less than one year.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2017.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Land improvements	10-30 years
Buildings/building improvements	20-50 years
Furniture and equipment	5-25 years
Vehicles	7-12 years

**Deferred Outflows of Resources – Deferred Costs on Debt Refunding:** Refunding of debt may result in a deferred outflow of resources when the reacquisition price exceeds the net carrying amount of the remaining principal balance and any related premium on the remaining balance.

**Deferred Outflows of Resources – Pensions:** The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2016. Contributions of \$2,276,066 made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period. The District may also have four other deferred outflows which arise due to the implementation of GASB 68; change in proportion \$215,315; change in assumptions \$839,054; investment experience \$2,460,432; and actuarial experience \$178,823.

**Unearned Revenues:** The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. At June 30, 2017, the District had no unearned revenues.



**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**      **Summary of Significant Accounting Policies (Continued)**

*D.      Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)*

**Compensated Absences:** Applicable for employees not represented by ZFUSE. Vacation leave (annual leave) is an accrued and authorized absence for rest, recreation, or other purposes. Vacation leave will be approved and granted after its accrual and not in advance of accrual. If workloads disallow vacation, the Superintendent may approve vacation days to carry forward into the next contract year. Upon the end of the employment contract, no payment shall be made for more than twenty (20) days of unused vacation (annual leave) for twelve (12) month employees. Total compensated absences were \$297,566 at June 30, 2017.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net position.

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the fiscal year ended June 30, 2004, bond premiums and discounts, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable of \$45,060,000 as of June 30, 2017 are reported net of the applicable bond premium or discount. Bond insurance issuance costs will be reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Pension Liability:** The District records its proportionate share of the difference between the value of total pension liabilities and plan assets for the State of New Mexico's Employee Retirement Board pension plan. For the year ended June 30, 2017, the net pension liability totaled \$41,219,013.

**Deferred Inflows of Resources – Unavailable Revenues:** Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and a corresponding deferred revenue, is recorded as well. Total unavailable revenues of \$224,545 for property taxes were recorded at June 30, 2017.

**Deferred Inflows of Resources - Pensions:** Change actuarial experience \$392,045 and change in proportion \$224,043 for the District are applicable to a future reporting period and will be expensed over an established period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

**Net Position or Fund Equity:** Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

*Net investment in capital assets:* Consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**                    **Summary of Significant Accounting Policies (Continued)**

*D.        Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)*

Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position

*Restricted Net Position:* Consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (b) law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. The restricted component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

*Unrestricted Net Position:* All other net position that does not meet the definition of “restricted” or “invested in capital assets.”

**Fund Balance:** In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

*Nonspendable:* Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

*Restricted:* Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed:* Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

*Assigned:* Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned:* Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**            **Summary of Significant Accounting Policies (Continued)**

*D.        Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (continued)*

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB’s fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*E.        Revenues*

**Reclassifications:** Certain amounts included in the financial statements have been reclassified to conform to the current year presentation.

**Interfund Transactions:** Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District’s financials include management’s estimate of the useful lives of capital assets.

**State Equalization Guarantee:** School districts in the State of New Mexico receive a ‘state equalization guarantee distribution’ which is defined as “that amount of money distributed to each school district to insure that the school district’s operating revenue, including its local and federal revenues as defined in Chapter 22, Section 825, NMSA 1978 is at least equal to the District’s program cost.

A school district’s program costs are determined through the use of various formulas using ‘program units’ which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$20,531,402 in state equalization guarantee distributions during the year ended June 30, 2017.

**Tax Revenues:** The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1 of each year and are payable in two equal installments, on November 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> of the following year with the levies becoming delinquent 30 days (one month) thereafter. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be ‘measurable’ and ‘available’ in the government fund financial statements, which is within 60 days of year-end. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1**            **Summary of Significant Accounting Policies (Continued)**

*E. Revenues (Continued)*

In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts collected from residential and commercial property taxes at June 30, 2017 were \$5,656,571. Amounts collected from oil and gas taxes were \$2,866,014.

**Transportation Distribution:** School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$932,941 in transportation distributions during the year ended June 30, 2017.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education “State Adopted Instructional Material” list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2017 totaled \$181,111.

**SB-9 State Match:** The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District received \$67,315 in state SB-9 matching during the year ended June 30, 2017.

**Public School Capital Outlay:** Under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2017, the District received no special capital outlay funds.

**Federal Grants:** The District receives revenues from various federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the federal department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the local school board and the New Mexico Public Education Department.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
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**JUNE 30, 2017**

**NOTE 1**            **Summary of Significant Accounting Policies (Continued)**

*E. Revenues (Continued)*

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

**NOTE 2**            **Stewardship, Compliance and Accountability**

*Budgetary Information*

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted. Public School Capital Outlay Council expenditures in the Public School Capital Outlay fund are not budgeted at the District level, so there is no budgetary comparison presented. These budgets are prepared on the non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the ending cash balance be appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget at the function level, the level of budgetary control for districts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local board of education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (PED) (100%) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets are submitted to the State of New Mexico PED.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.
5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.

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**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2      Stewardship, Compliance and Accountability (Continued)**

*Budgetary Information*

7.      Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8.      Legal budget control for expenditures is by function.
9.      Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10.     Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

The board of education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a governmental agency from exceeding an individual line item.

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2017, is presented on each funds' Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual.

**NOTE 3      Cash and Temporary Investments**

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2017.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by the statute.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States Government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
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JUNE 30, 2017**

**NOTE 3 Cash and Temporary Investments (Continued)**

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

**Deposits**

New Mexico state statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution in excess of federal deposit insurance. The schedule listed below will meet the State of New Mexico Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Citizens Bank
Total amounts of deposits	\$ 14,814,690
FDIC coverage	250,000
Total uninsured public funds	14,564,690
Collateral requirement (50% of uninsured public funds)	7,282,345
Pledged security	9,136,200
Total over (under) collateralized	\$ 1,853,855

The funds are maintained in interest bearing and non-interest bearing checking accounts in Citizens Bank.

The types of collateral allowed are limited by the section 6-10-16, NMSA 1978.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Deposits – The risk exists when a portion of the District's deposits are not covered by depository insurance and are:

1. Uncollateralized;
2. Collateralized with securities held by the pledging financial institution; or
3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor's (District's) name.

At June 30, 2017, \$14,564,690 of the District's bank balance of \$14,814,690 was exposed to custodial credit risk as it was uninsured and the collateral was not held in the District's name.

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 3 Cash and Temporary Investments (Continued)**

**Reconciliation of Cash and Temporary Investments to the Financial Statements**

The carrying amount of deposits and investments shown above are included in the District's Statement of Net Position as follows:

Reconciliation to Statement of Net Position	
Governmental Funds - Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 14,757,970
Statement of Fiduciary Net Position - cash per Exhibit D-1	<u>258,452</u>
Total per financial statements	15,016,422
Less petty cash	(50)
Less funds held in trust investments	(651,272)
Add outstanding checks and other reconciling items	<u>449,590</u>
Bank balance of deposits	<u><u>\$ 14,814,690</u></u>

The District utilized pooled accounts for their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/due from accounts in the combining balance sheets at June 30, 2017. Funds 24000 through 25000 are federal funds, 27000 funds are non-federal funds. The following individual funds had negative cash balances as of June 30, 2017:

Fund#	Special Revenue Funds:	
24101	Title I IASA	\$ 209,715
24106	IDEA-B Entitlement	194,695
24109	IDEA-B Preschool	9,106
24132	IDEA-B Results Plan	19,510
24153	English Language Acquisition	1,403
24154	Teacher/Principal Training & Recruiting	22,529
24162	Title I School Improvement	920
24174	Carl D Perkins Secondary Current	4,637
25131	Johnson O'Malley	34,398
25184	Indian Ed Formula Grant	18,320
27107	2012 GO Bond Student Library Fund (SB66)	1,709
27141	Truancy Initiative	10,880
27149	PreK Initiative	110,759
27150	Indian Education Act	7,557
27181	STEM Teacher Initiative	132,414
27189	College Advisor Initiative	9,839
27195	Teachers "Hard to Staff" Stipends	31,533
	Total	<u><u>\$ 819,924</u></u>



**STATE OF NEW MEXICO**  
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**JUNE 30, 2017**

**NOTE 3 Cash and Temporary Investments (Continued)**

**Investments**

At June 30, 2017, the District had \$651,272 held in trust by the Bank of Albuquerque per conditions of a bond sinking fund. Those funds are held in a U.S. Treasury Money Market Fund. The District does not have the legal authority to move these funds from the trust institution. Information regarding the fund is as follows:

<u>Fund</u>	<u>CUSIP</u>	<u>WAM</u>	<u>Ratings</u>		<u>Net Assets</u>
			<u>S&amp;P</u>	<u>Moody's</u>	
Lipper Institutional U.S. Treasury Money Market Funds	14956P703	38 days	AAAm	Aaa	\$ 1,351,041,197

**Interest Rate Risk for Investments.** The District does not have a written policy for limiting interest rate risk. However, the average maturity of certificates of deposit is twelve months or less, which is an effective limit of interest rate risk.

**Credit Risk.** State law limits investments to bonds or negotiable securities of the U.S. Government, the State, municipalities, or school district securities issued by the U.S. Government (or its agencies, either direct obligations or backed and guaranteed by the U.S. Government) and repurchase agreements with banks, savings and loan associations or credit unions. The District has no investment policy that would further limit its investment choices.

**Concentration of Credit.** The District places no limit on the amount the District may invest in any one issuer. Investments which are over 5% of total investments are the amounts invested in the Lipper Institutional U.S. Treasury Money Market Funds which are invested by the trust institution Bank of Albuquerque.

**NOTE 4 Receivables**

Receivables as of June 30, 2017 are as follows:

	<u>Major Funds</u>				<u>Total</u>
	<u>Operational</u>	<u>Capital</u>	<u>Debt</u>	<u>Other</u>	
	11000	Improv. SB-9 31700	Service 41000	Governmental Funds	Governmental Funds
Taxes Receivable	\$ 18,211	\$ 206,208	\$ 281,659	\$ -	\$ 506,078
Due from other governments	-	67,315	-	912,550	979,865
Other	25,661	-	-	-	25,661
Total receivables	<u>\$ 43,872</u>	<u>\$ 273,523</u>	<u>\$ 281,659</u>	<u>\$ 912,550</u>	<u>\$ 1,511,604</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$224,545 were not collected within the period of availability.

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 5 Interfund Receivables, Payables, and Transfers**

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances at June 30, 2017 is as follows:

<b>Governmental Activities</b>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Major Funds:</b>		
Operational (11000)	\$ 902,621	\$ -
<b>Non-major Funds:</b>		
Title IIASA (24101)	-	209,715
IDEA B Entitlement (24106)	-	194,695
IDEA B Preschool (24109)	-	9,106
IDEA B Results Plan (24132)	-	19,510
English Language Acquisition (24153)	-	1,403
Teacher/Principal Training & Recruiting (24154)	-	46,857
Title I School Improvement (24162)	-	920
Carl D. Perkins Secondary Current (24174)	-	4,954
Johnson O'Malley (25131)	-	34,398
Indian Ed Formula Grant (25184)	-	18,320
2012 GO Bond Student Library Fund (SB66) (27107)	-	1,709
Truancy Initiative (27141)	-	10,880
PreK Initiative (27149)	-	110,759
Indian Education Act (27150)	-	9,506
STEM Teacher Initiative (27181)	-	188,517
College Advisor Initiative (27189)	-	9,839
Teachers "Hard to Staff" Stipends (27195)	\$ -	\$ 31,533
<b>Totals</b>	<u>\$ 902,621</u>	<u>\$ 902,621</u>

All interfund balances are expected to be repaid or closed out within one year.

During the year ended June 30, 2017, the District reverted \$851 from the Transportation Fund (13000) to the State of New Mexico and had the following interfund transfers:

<b>Governmental Activities</b>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
Operational (11000)	\$ -	\$ 647
<b>Non-major Funds:</b>		
Food Services (21000)	-	3,733
Fresh Fruits and Vegetables (24118)	3,733	0
Indian Education Act (27150)	647	0
<b>Totals</b>	<u>\$ 4,380</u>	<u>\$ 4,380</u>

**STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6  
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JUNE 30, 2017**

**NOTE 6 Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2017 follows. Land and construction in progress is not subject to depreciation.

Capital assets used in governmental activities:	Balance June 30, 2016	Additions	Deletions	Adjustments	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$ 4,164,172	\$ -	\$ -	\$ -	\$ 4,164,172
Total capital assets not being depreciated	<u>4,164,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,164,172</u>
Capital assets being depreciated:					
Land improvements	4,716,128	204,181	-	-	4,920,309
Buildings and building improvements	132,283,414	375,244	(34,100)	-	132,624,558
Furniture, fixtures, and equipment	8,591,140	272,421	(25,222)	-	8,838,339
Total capital assets being depreciated	<u>145,590,682</u>	<u>851,846</u>	<u>(59,322)</u>	<u>-</u>	<u>146,383,206</u>
Less accumulated depreciation:					
Land improvements	2,712,067	244,234	-	-	2,956,301
Buildings and building improvements	71,573,687	3,208,280	(34,100)	-	74,747,867
Furniture, fixtures, and equipment	7,145,555	472,988	(25,222)	-	7,593,321
Total accumulated depreciation	<u>81,431,309</u>	<u>3,925,502</u>	<u>(59,322)</u>	<u>-</u>	<u>85,297,489</u>
Total capital assets, net of depreciation	<u>\$ 68,323,545</u>	<u>\$ (3,073,656)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,249,889</u>

Depreciation was allocated for the year as follows:

Governmental activities:	
Instruction	\$ 2,021,839
Support services - students	339,448
Support services - instruction	69,394
Support services - general administration	110,333
School administration	269,986
Central services	326,588
Operation and maintenance of plant	407,835
Student transportation	169,196
Food services	210,883
Total depreciation	<u>\$ 3,925,502</u>

At June 30, 2017, the District had no construction agreements in place.

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 Long-Term Debt**

During the year ended June 30, 2017 the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance at 06/30/16	Additions	Deletions	Balance at 06/30/17	Due Within One Year
General Obligation Bonds	\$ 49,520,000	\$ 10,895,000	\$ 15,355,000	\$ 45,060,000	\$ 5,000,000
Compensated Absences	281,976	285,231	269,641	297,566	269,641
Total	<u>\$ 49,801,976</u>	<u>\$ 11,180,231</u>	<u>\$ 15,624,641</u>	<u>\$ 45,357,566</u>	<u>\$ 5,269,641</u>

General Obligations Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. The District has one outstanding general obligation bond as of June 30, 2017. All general obligation bonds are for governmental activities.

The District issued a refunding bond to advance refund \$10,800,000 of the Series 2009 bond with an interest rate of 4.00% to 5.00%. The remaining portion of the 2009 series bond in the amount of \$1,145,000 was paid by the District in September 2017. The District placed \$11,536,680 in escrow to refund the principal and interest on the outstanding bonds and interest until retired in September 2018. The difference between the net carrying amount and the reacquisition price resulted in deferred interest costs of \$436,389 which have been recorded as deferred outflows of resources which will be amortized through 2025.

	2009 GO Bond 11/17/2009	2010 GO Bond 8/17/2010	2011 GO Bond 6/21/2011
Issue Date			
Original Issue	\$19,055,000	\$6,000,000	\$20,875,000
Maturity Date	9/1/2024	8/1/2027	9/1/2022
Principal	1-Sep	1-Aug	1-Sep
Interest Rate	4.00% to 5.00%	5.851%	3.00% to 5.00%
Principal/Interest	1-Sep	1-Aug	1-Sep
Interest	1-Mar	1-Feb	1-Mar
	2014 GO Bond 10/14/2014	2017 GO Bond 2/22/2017	
Issue Date			
Original Issue	\$13,615,000	\$10,895,000	
Maturity Date	10/1/2022	9/1/2030	
Principal	1-Oct	1-Sep	
Interest Rate	2.00%	3.00% to 5.00%	
Principal/Interest	1-Oct	1-Sep	
Interest	1-Apr	1-Mar	

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT No. 6**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 Long-Term Debt (Continued)**

The annual requirements to amortize the general obligation bonds as of June 30, 2017, including interest payments are as follows:

Fiscal Year Ending June 30,	Total General Obligation Bonds		Total Debt
	Principal	Interest	Service
2018	\$ 4,750,000	\$ 1,640,951	\$ 6,390,951
2019	4,190,000	1,481,060	5,671,060
2020	4,645,000	1,337,160	5,982,160
2021	5,025,000	1,174,185	6,199,185
2022	4,785,000	1,004,660	5,789,660
2023-2027	9,795,000	3,164,365	12,959,365
2028-2032	5,870,000	937,440	6,807,440
Totals	<u>\$ 39,060,000</u>	<u>\$ 10,739,821</u>	<u>\$ 49,799,821</u>

The District issued a “Qualified School Construction Bond” (GO Bond Series 2010) in the amount of \$6,000,000. The proceeds were used for new construction projects and the repairs of existing facilities. The bond issue was authorized under section 54 of the Internal Revenue Code as amended by the American Recovery and Reinvestment Act. The Act amended section 54A(d)(1) to provide that the term “qualified tax credit bond” means, in part, a qualified school construction bond that is part of an issue that meets the requirements of section 54A(d)(2), (3), (4), (5), and (6). The District paid interest of \$50,460 on the bond issue and received a “subsidy” for the remaining interest due on this bond issue. The holders of the bonds will receive a tax credit in lieu of interest payments. The “subsidy” effectively reduces the District’s interest payments by \$301,247. Additionally, the District was required to fund a sinking fund beginning August 1, 2013. The fund will have a yield of 4.35% and must be funded as follows:

Balance and Funding of Sinking Fund	
Current Balance	<u>\$ 650,000</u>
Future Funding Requirements	
<u>August 1,</u>	<u>Amount</u>
2017	\$ 250,000
2018	300,000
2019	300,000
2020	300,000
2021	500,000
2022	600,000
2023	600,000
2024	600,000
2025	600,000
2026	600,000
2027	700,000
Total future amounts	<u>5,350,000</u>
Total at August 1, 2027	<u>\$ 6,000,000</u>

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**NOTE 7 Long-Term Debt (Continued)**

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2017, compensated absences increased \$15,590 over the prior year accrual. See Note 1 for more details.

Operating Leases – The District leases office equipment, including copy machines and postage meter machines, under short-term cancelable operating leases.

**NOTE 8 Unearned Revenues**

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor. The District had no unearned revenues at June 30, 2017.

**NOTE 9 Risk Management**

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes workers compensation, general and automobile liability, automobile physical damage, and property and crime coverage. Also included under the risk management program are boiler, machinery and student accident insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$750 deductible for each building. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to depositor's forgery, credit card forgery and money orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2017, there have been no claims that have exceeded insurance coverages.

**NOTE 10 Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the combined statements of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2017:

Fund #	Fund Description	Amount
27149	PreK Initiative	\$ 497
	Total	<u>\$ 497</u>

B. Excess of expenditures over appropriations. For the year ended June 30, 2017, the District had no funds with expenditures in excess of appropriations.

C. Cash appropriations in excess of available cash balance. For the year ended June 30, 2017, the District had no funds with cash appropriations in excess of cash balance.

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**NOTE 11      General Information on the Pension Plan – Educational Retirement Board**

**Plan Description.** The New Mexico Educational Retirement Act (ERA) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's comprehensive annual financial report. The report can be found on NMERB's web site at [https://www.nmerb.org/Annual\\_report.html](https://www.nmerb.org/Annual_report.html).

The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is considered a component unit of the State's financial reporting entity. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has authority to set or amend contribution rates and other terms of the Plan which is a pension benefit trust fund of the State of New Mexico. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employments, as defined Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

**Benefits provided.** A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater.

**Summary of Plan Provisions for Retirement Eligibility.** For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more,
- The member is at least sixty-five years of age and has five or more years of earned service credit; or
- The member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on, or after, July 1, 2010 and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010 and before July 1, 2013, or at any time prior to July 1, 2010 refunded all member contributions and then becomes re-employed after that July 1, 2010 is as follows:

- The member's age and earned service credit add up to the sum of 80 or more,
- The member is at least sixty-seven years of age and has five or more years of earned service credit; or
- The member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for ERB employer on or after July 1, 2013. These members must meet one of the following requirements.

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- The member's minimum age is 55, and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits.
- The member's age is 67 and has earned 5 or more years of service credit.

**Forms of Payment.** The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary.

**Benefit Options.** The Plan has three benefit options available.

- **Option A – Straight Life Benefit** – The single life annuity option has no reductions to the monthly benefit, and there is not continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- **Option B – Joint 100% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life Benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- **Option C – Joint 50% Survivor Benefit** – The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life Benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

**Disability Benefit** An NMERB member is eligible for disability benefits if they have acquired at least ten years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

**Cost of Living Adjustment (COLA)** All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year the member reaches age 65 (Tier 1 and Tier 2) or age 67 (Tier 3).

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010.
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013.
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013.

As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction is based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%.



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**NOTE 11      General Information on the Pension Plan – Educational Retirement Board (Continued)**

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

**Refund of Contributions.** Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

**Contributions.** For the fiscal years ended June 30, 2017 and 2016 educational employers contributed to the Plan based on the following rate schedule:

<b>Fiscal Year</b>	<b>Date Range</b>	<b>Wage Category</b>	<b>Member Rate</b>	<b>Employer Rate</b>	<b>Combined Rate</b>	<b>Increase Over Prior Year</b>
2017	7-1-16 to 6-30-17	Over \$20K	10.70%	13.90%	24.60%	0.00%
2017	7-1-16 to 6-30-17	\$20K or less	7.90%	13.90%	21.80%	0.00%
2016	7-1-15 to 6-30-16	Over \$20K	10.70%	13.90%	24.60%	0.00%
2016	7-1-15 to 6-30-16	\$20K or less	7.90%	13.90%	21.80%	0.00%

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the New Mexico legislature. For the fiscal years ended June 30, 2017 and 2016, the District paid employee and employer contributions of \$3,957,635 and \$3,961,036 which equal the amount of the required contributions for each fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2016. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016. At June 30, 2017, the District’s reported a liability of \$41,219,013 for its proportionate share of the net pension liability. The District’s proportion of the net pension liability is based on the employer contributing entity’s long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2016, the District’s proportion was 0.57277% percent, which was an increase of 0.00290% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$3,728,104. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net (Inflows) Outflows</u>
Differences between expected and actuarial experience	\$ 178,823	\$ (392,045)	\$ (213,222)
Changes of assumptions	839,054	-	839,054
Net difference between projected and actual earnings on pension plan investments	2,460,432	-	2,460,432
Changes in proportion and differences between Bloomfield Municipal School's contributions and proportionate share of contributions	215,315	(224,043)	(8,728)
Bloomfield Municipal Schools' contributions subsequent to the measurement date	<u>2,276,066</u>	<u>-</u>	<u>2,276,066</u>
Total	<u>\$ 5,969,690</u>	<u>\$ (616,088)</u>	<u>\$ 5,353,602</u>

Deferred outflows of resources of \$2,276,066 related to pensions resulting from the District's contributions subsequent to the measurement date of June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30,</b>	
<b>2017</b>	\$ 610,109
<b>2018</b>	664,506
<b>2019</b>	1,202,921
<b>2020</b>	600,000
<b>Thereafter</b>	-
<b>Total</b>	<u>\$ 3,077,536</u>

**Actuarial assumptions.** The total pension liability in the June 30, 2016 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increases	Composition: 3% inflation, plus 0.75% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75% compounded annually, net of expenses. This is made up of a 3.00% inflation rate and a 4.75 real rate of return. The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

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Average of Expected  
Remaining Service Lives                      3.77 years

Mortality    **Healthy males:** Based on the RP-2000 Combined Mortality Table with White Collar adjustments, generational mortality improvements with Scale BB.  
**Healthy females:** Based on GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with Scale BB from the table's base year of 2012.  
**Disabled males:** RP-2000 Disabled Mortality Table for males, set back three years, projected to 2016 with Scale BB. **Disabled females:** RP-2000 Disabled Mortality Table for females, no set back, projected to 2016 with Scale BB.  
**Active members:** RP-2000 Employee Mortality Tables, with males set back two years and scaled at 80%, and females set back five years and scaled at 70%. Static mortality improvement from the table's base year of 2000 to the year 2016 in accordance with Scale BB. No future improvement was assumed for preretirement mortality.

Retirement Age                                      Experience-based table rates based on age and service, adopted by the Board on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014.

Cost-of-Living Increases                          2% per year, compounded annually.

Payroll Growth                                        3.5% per year (with no allowance for membership growth).

Contribution Accumulation                        5% increase per year for all years prior to the valuation date. (Contributions are credited with 4.0% interest, compounded annually, applicable to the account balance in the past as well as the future).

Disability Incidence                                Approved rates applied to eligible members with at least 10 years of service.

The actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on June 12, 2015 in conjunction with the six-year actuarial experience study period ending June 30, 2014. At that time, the Board adopted several assumption changes, which included a decrease in the annual wage inflation rate from 4.25% to 3.75%, and changes to the mortality rates, disability rates, and retirement rates for members who joined the plan after June 30, 2010. In addition, the board lowered the population growth rate assumption to zero.

The long-term expected rate of return on pension plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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**NOTE 11      General Information on the Pension Plan – Educational Retirement Board (Continued)**

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	35%	
Fixed Income	28%	
Alternatives	36%	
Cash	1%	
Total	100%	7.75%

**Discount rate:** A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2016. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels.

Additionally, contributions received through the Alternative Retirement Plan (ARP) are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate.** The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Bloomfield Municipal School District No. 6’s proportionate share of the net pension liability	\$ 54,593,625	\$ 41,219,013	\$ 30,121,863

**Pension plan fiduciary net position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued NMERB’s financial reports. The reports can be found on NMERB’s web site at [https://www.nmerb.org/Annual\\_reports.html](https://www.nmerb.org/Annual_reports.html).

**Payables to the pension plan.** The District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15<sup>th</sup> day of the month following the month for which contributions are withheld. At June 30, 2017 the contributions due and payable by the District were \$477,708 which were paid on July 13, 2017.

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**NOTE 12**      **Post-Employment Benefits – State Retiree Health Care Plan**

*Plan Description:* The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and / or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; (2) retirees defined by the Act who retired prior to July 1, 1990; (3) former legislators who served at least two years; and (4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque NM 87107.

*Funding Policy:* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee, and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2017, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2017, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2017, 2016, and 2015 were \$326,416, \$323,326, and \$321,796, respectively, which equal the required contributions for each year.

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**NOTE 13      Unavailable Revenues**

The District had the following unavailable governmental revenues at June 30, 2017.

	Property Taxes
<b>Major Funds:</b>	
Operational (11000)	\$     7,218
Capital Improvements SB-9 (31700)	40,457
Debt Service (41000)	176,870
Totals	\$   224,545

**NOTE 14      Concentrations**

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the District is subject to changes in the specific flows of intergovernmental revenues based on modifications to the Federal and State laws and Federal and State appropriations.

**NOTE 15      Contingent Liabilities**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

**NOTE 16      Subsequent Accounting Standard Pronouncements**

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In March 2016, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, was issued. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

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**NOTE 16**      **Subsequent Accounting Standard Pronouncements (Continued)**

In November 2016, GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In January 2017, GASB Statement No. 84 *Fiduciary Activities*, was issued. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In March 2017, GASB Statement No. 85 *Omnibus 2017*, was issued. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In May 2017, GASB Statement No. 86 *Certain Debt Extinguishment Issues*, was issued. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defensed in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2017, GASB Statement No. 87 *Leases*, was issued. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

**NOTE 17**      **Subsequent Events**

A review of subsequent events through October 24, 2017, which is the date the financial statements were available to be issued, indicated nothing of audit significance.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PLAN**  
**LAST 10 FISCAL YEARS\***  
**JUNE 30, 2017**

Schedule I

	<b>June 30</b>			
	<b>Fiscal Year</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Measurement Date</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Bloomfield Municipal School District No. 6's proportion of net pension liability	0.57277%	0.56987%	0.57712%	
Bloomfield Municipal School District No. 6's proportionate share of the net pension liability	\$ 41,219,013	\$ 36,911,997	\$ 32,928,905	
Bloomfield Municipal School District No. 6's covered-employee payroll	\$ 16,358,851	\$ 16,199,417	\$ 15,907,470	
Bloomfield Municipal School District No. 6's proportionate share of the net pension liability as a percentage of covered-employee payroll	251.97%	227.86%	207.00%	
Plan fiduciary net position as a percentage of total pension liability	61.58%	63.97%	66.54%	

\* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Bloomfield Municipal Schools will present information for those years for which information is available.

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
**EDUCATIONAL RETIREMENT BOARD (ERB) PLAN**  
**LAST 10 FISCAL YEARS\***  
**JUNE 30, 2017**

Schedule II

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,276,066	\$ 2,264,508	\$ 2,242,189
Contributions in relation to the contractually required contribution	2,276,066	2,264,508	2,242,189
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Bloomfield Municipal School District No. 6's covered-employees payroll	\$ 16,369,535	\$ 16,358,851	\$ 16,199,417
Contributions as a percentage of covered-employee payroll	13.90%	13.84%	13.84%

\* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Bloomfield Municipal Schools will present information for those years for which information is available.

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN  
JUNE 30, 2017

*Changes of benefit terms and assumptions* . There were no benefit or assumption changes adopted since the last actuarial valuation. However, the actual cost of living adjustment (COLA) was less than the expected 2.0% which resulted in a net \$138 million decrease in the unfunded actuarial accrued liability.

See also the *Actuarial Assumptions* subsection of the financial statement note disclosure *General Information on the Pension Plan - Educational Retirement Board, General Information on the Pension Plan*

The accompanying notes are an integral part of these financial statements.

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2017

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and temporary investments	\$ 1,031,356	\$ 20,978	\$ 58,199	\$ 1,110,533
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	912,550	-	-	912,550
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	34,689	-	-	34,689
	<u>1,978,595</u>	<u>20,978</u>	<u>58,199</u>	<u>2,057,772</u>
<i>Total assets</i>				
<b>LIABILITIES</b>				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	902,621	-	-	902,621
Unearned revenue	-	-	-	-
	<u>902,621</u>	<u>-</u>	<u>-</u>	<u>902,621</u>
<i>Total liabilities</i>				
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total deferred inflows of resources</i>				
<b>FUND BALANCES</b>				
Nonspendable	34,689	-	-	34,689
Restricted for:				
Grant mandates	343,062	-	-	343,062
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	698,720	20,978	58,199	777,897
Unassigned	(497)	-	-	(497)
	<u>1,075,974</u>	<u>20,978</u>	<u>58,199</u>	<u>1,155,151</u>
<i>Total fund balances</i>				
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,978,595</u>	<u>\$ 20,978</u>	<u>\$ 58,199</u>	<u>\$ 2,057,772</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-
State grants	1,208,432	-	-	1,208,432
Federal grants	4,427,031	-	-	4,427,031
Miscellaneous	85,274	-	-	85,274
Charges for services	162,125	-	-	162,125
Investment income	3,113	38	-	3,151
<i>Total revenues</i>	<u>5,885,975</u>	<u>38</u>	<u>-</u>	<u>5,886,013</u>
<i>Expenditures:</i>				
Current:				
Instruction	2,518,746	-	-	2,518,746
Support services				
Students	907,791	-	-	907,791
Instruction	25,399	-	-	25,399
General administration	86,190	-	3,268	89,458
School administration	286,073	-	-	286,073
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	118,233	-	-	118,233
Other support services	-	-	-	-
Food services operations	1,636,001	-	-	1,636,001
Community services	15	-	-	15
Capital outlay	-	5,634	-	5,634
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,578,448</u>	<u>5,634</u>	<u>3,268</u>	<u>5,587,350</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>307,527</u>	<u>(5,596)</u>	<u>(3,268)</u>	<u>298,663</u>
<i>Other financing sources (uses):</i>				
Operating transfers	647	-	-	647
<i>Total other financing sources (uses)</i>	<u>647</u>	<u>-</u>	<u>-</u>	<u>647</u>
<i>Net changes in fund balances</i>	308,174	(5,596)	(3,268)	299,310
<i>Fund balances - beginning of year</i>	<u>767,800</u>	<u>26,574</u>	<u>61,467</u>	<u>855,841</u>
<i>Fund balances - end of year</i>	<u>\$ 1,075,974</u>	<u>\$ 20,978</u>	<u>\$ 58,199</u>	<u>\$ 1,155,151</u>

The accompanying notes are an integral part of these financial statements.

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**SPECIAL REVENUE FUNDS**

## SPECIAL REVENUE FUNDS DESCRIPTIONS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Special Revenue Funds include:

**Food Services (21000)** - This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Service Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13. No minimum balance required according to legislation.

**Athletics (22000)** – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC. No minimum balance required according to legislation.

**Student Activities (23000)** – To account for revenue and expenditures associated with the District’s non instructional support activities (primarily after-school activities). No minimum balance required according to legislation.

**Title I IASA Special Revenue Fund (24101)** – The funds objectives are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

**IDEA-B Entitlement Special Revenue Fund (24106)** – accounts for a program funded by a federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

**IDEA-B Preschool (24109)** – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17. No minimum balance required according to legislation.

**Fresh Fruits and Vegetables (24118)** – To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769. No minimum balance required according to legislation.

**IDEA-B Results Plan (24132)** – This account is to support the individual school site’s Educational Plan for Student Success, or areas in need of improvement as identified through an instructional audit. This is a pilot program for the New Mexico Real Results program required by US Dept. of Education of Special Education Programs. Authority for creation of this fund is the New Mexico Public Education Department. No minimum balance required according to legislation.

**English Language Acquisition (24153)** – To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet State academic content standards. No minimum balance required according to legislation.

**Teacher/Principal Training & Recruiting (24154)** – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. No minimum balance required according to legislation.

**Title I School Improvement (24162)** – To account for federal funds to provide family-center education projects to help parents become full partners in the education of their children and to assist children in reaching their full potential as leaders. Authority is Public Law 100-297. No minimum balance required according to legislation.

**Carl D Perkins Secondary – Current (24174)** – To account for federal funds to provide vocational and technical education for secondary education. (Authority: P.L. 105-332). No minimum balance required according to legislation.

**Carl D Perkins Secondary – Redistribution (24176)** – Redistribution for the program as described above in 24174. (Authority: P.L. 105-332). No minimum balance required according to legislation.

**Johnson O'Malley (25131)** – To provide funding for supplemental programs in special education and the other needs of eligible Native American Indian children. Funding is provided by the Johnson- O'Malley Act of 1934 as amended, Public Law 930638. No minimum balance required according to legislation.

**Impact Aid Special Education (25145)** – To account for a program funded by a Federal grant to provide financial assistance to local educational agencies (LEAs) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 8002, ESEA), where there are a significant number of children who reside on Federal (including Native American) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Sections 8003 and 8007, ESEA), where there is a sudden increase in school enrollment as the result of Federal activities (Section 8006, ESEA). To provide disaster assistance for reduced or increased operating costs for replacing or repairing damaged or destroyed support equipment and books and for repairing minor damage to facilities. Funding is authorized by the Elementary and Secondary Education Act, Title VIII, as amended. No minimum balance required according to legislation.

**Impact Aid Indian Education (25147)** – To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and /or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b)): where there is a significant decrease (Section 3(c)) or a reduced or increased operating costs (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874. No minimum balance required according to legislation.

**Title XIX Medicaid 3/21 Years (25153)** – To provide school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. (P.L. 105-33). No minimum balance required according to legislation.

**Indian Ed Formula Grant (25184)** – To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606. No minimum balance required according to legislation.

**Golden Apple Foundation (26163)** – The purpose of this fund is to account for a program designed to improve the quality of education for all children through recognition, recruitment, and professional development of outstanding teachers. This funding is provided by a private grant with Wells Fargo Golden Apple Foundation Teacher Partner Grant and authorized by the PED. No minimum balance required according to legislation.

**Conoco Phillips School Grant (26200)** – provides funds to support specific projects proposed to teachers at Naabi Ani Elementary School. The project is funded by a grant from Conoco Phillips. The creation of the fund is authorized by NMSA 1978 22-89-14. No minimum balance required according to legislation.

**Dual Credit Instructional Materials (27103)** – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school. No minimum balance required according to legislation.

**2012 GO Bond Student Library Fund (SB66) (27107)** – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute. No minimum balance required according to legislation.

**New Mexico Reads to Lead K-3 Reading Initiative (27114)** – To account for funds provided by the New Mexico Public Education Department to support legislative initiative to improve reading in grades K-3. No minimum balance required according to legislation.

**Truancy Initiative PED (27141)** – This grant is divided into two sections; School Based Law Enforcement and School Based Family Center. Surveillance cameras were purchased and installed at the High School and Phoenix Program. The purpose was to provide staff training in truancy prevention and strategies to deal with students to improve school attendance. Resources were also available to assist families in developing strategies to improve their children's school attendance. Funding was provided by the School health Unit of the State of New Mexico. Authority for creation of this fund is authorized by the PED. No minimum balance required according to legislation.

**PreK Initiative (27149)** – The Pre-K Initiative program provides high-quality early childhood services (in accordance with the NM Pre-K standards) to four year old children in need. Authorized through 32A-23-1 NMSA 1978. No minimum balance required according to legislation.

**Indian Education Act (27150)** – To account for funding provided by New Mexico Legislature through the New Mexico Public Education Department supporting various Exemplary Culture Based Education programs. No minimum balance required according to legislation.

**2013 School Bus (27178)** – To account for funds provided by New Mexico Public Education Department to purchase school buses.

**STEM Teacher Initiative (27181)** – To account for the \$5,000 stipend per year to highly effective science, technology, engineering or mathematics for two years, for hard to staff schools.

**NM Grown Fresh Fruits and Vegetables (27183)** – To account for funds provided by New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs. No minimum balance required according to legislation.

**College Counselor Initiative (27189)** – Funding to be used to hire a college advisor dedicated to college advisement.

**Teachers “hard to staff” Stipends (27195)** – Funding for stipends for teachers in hard to staff areas as specified by legislation for STEM/hard-to-staff teacher recruitment and/or retention stipends. These teacher stipends are \$5,000 per teacher and may only be awarded to teachers who have met the award criteria. Authorization for this stipend is NMPED. No minimum balance required according to legislation.

**Private Direct Grants (29102)** – To provide students with experiences and career awareness in wildlife, forestry and environmental management operations. No minimum balance required according to legislation.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	Food Services 21000	Athletics 22000	Student Activities 23000	Title I IASA 24101	IDEA-B Entitlement 24106
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ 338,564	\$ 165,643	\$ 44,404	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	44,622	-	-	210,193	196,851
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	23,618	11,071	-	-	-
<i>Total assets</i>	<u>406,804</u>	<u>176,714</u>	<u>44,404</u>	<u>210,193</u>	<u>196,851</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	-	209,715	194,695
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,715</u>	<u>194,695</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	23,618	11,071	-	-	-
Restricted for:					
Grant mandates	9,130	8,715	4,790	478	2,156
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	374,056	156,928	39,614	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>406,804</u>	<u>176,714</u>	<u>44,404</u>	<u>478</u>	<u>2,156</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 406,804</u>	<u>\$ 176,714</u>	<u>\$ 44,404</u>	<u>\$ 210,193</u>	<u>\$ 196,851</u>

The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	IDEA-B Preschool 24109	Fresh Fruits and Vegetables 24118	IDEA-B Results Plan 24132	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ 24,328
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	9,106	-	19,510	1,403	23,134
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>9,106</u>	<u>-</u>	<u>19,510</u>	<u>1,403</u>	<u>47,462</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	9,106	-	19,510	1,403	46,857
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>9,106</u>	<u>-</u>	<u>19,510</u>	<u>1,403</u>	<u>46,857</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	605
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 9,106</u>	<u>\$ -</u>	<u>\$ 19,510</u>	<u>\$ 1,403</u>	<u>\$ 47,462</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	Title I School Improvement 24162	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - Redistribution 24176	Johnson O'Malley 25131	Impact Aid Special Education 25145
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ 317	\$ 1	\$ -	\$ 10,522
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	920	4,637	-	35,303	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>920</u>	<u>4,954</u>	<u>1</u>	<u>35,303</u>	<u>10,522</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	920	4,954	-	34,398	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>920</u>	<u>4,954</u>	<u>-</u>	<u>34,398</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	1	905	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	10,522
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>905</u>	<u>10,522</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 920</u>	<u>\$ 4,954</u>	<u>\$ 1</u>	<u>\$ 35,303</u>	<u>\$ 10,522</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Indian Education Grant 25184	Golden Apple Foundation 26163	Conoco Phillips School Grant 26200
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ 56,142	\$ 255,879	\$ -	\$ 397	\$ 38,701
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	41,962	20,715	-	-
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>56,142</u>	<u>297,841</u>	<u>20,715</u>	<u>397</u>	<u>38,701</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	-	18,320	-	-
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>18,320</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	9,412	252,722	2,395	397	33,516
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	46,730	45,119	-	-	5,185
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>56,142</u>	<u>297,841</u>	<u>2,395</u>	<u>397</u>	<u>38,701</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 56,142</u>	<u>\$ 297,841</u>	<u>\$ 20,715</u>	<u>\$ 397</u>	<u>\$ 38,701</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114	Truancy Initiative PED 27141	PreK Initiative 27149
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	-	1,709	-	10,880	110,262
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>1,709</u>	<u>-</u>	<u>10,880</u>	<u>110,262</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	-	1,709	-	10,880	110,759
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>1,709</u>	<u>-</u>	<u>10,880</u>	<u>110,759</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(497)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(497)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 1,709</u>	<u>\$ -</u>	<u>\$ 10,880</u>	<u>\$ 110,262</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	Indian Education Act 27150	2013 School Bus 27178	STEM Teacher Initiative 27181	NM Grown Fresh Fruits and Vegetables 27183	College Advisor Initiative 27189
<b>ASSETS</b>					
<i>Current assets:</i>					
Cash and temporary investments	\$ 1,949	\$ -	\$ 56,103	\$ -	\$ -
Accounts receivable					
Taxes	-	-	-	-	-
Due from other governments	7,557	-	132,414	-	9,839
Interfund receivables	-	-	-	-	-
Other	-	-	-	-	-
Inventory	-	-	-	-	-
<i>Total assets</i>	<u>9,506</u>	<u>-</u>	<u>188,517</u>	<u>-</u>	<u>9,839</u>
<b>LIABILITIES</b>					
<i>Current liabilities:</i>					
Accounts payable	-	-	-	-	-
Accrued payroll liabilities	-	-	-	-	-
Interfund payables	9,506	-	188,517	-	9,839
Unearned revenue	-	-	-	-	-
<i>Total liabilities</i>	<u>9,506</u>	<u>-</u>	<u>188,517</u>	<u>-</u>	<u>9,839</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes	-	-	-	-	-
Unavailable revenues - other	-	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Grant mandates	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 9,506</u>	<u>\$ -</u>	<u>\$ 188,517</u>	<u>\$ -</u>	<u>\$ 9,839</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2017

	Teachers "Hard to Staff" Stipends 27195	Private Direct Grants 29102	Total
<b>ASSETS</b>			
<i>Current assets:</i>			
Cash and temporary investments	\$ -	\$ 38,406	\$ 1,031,356
Accounts receivable	-	-	-
Taxes	-	-	-
Due from other governments	31,533	-	912,550
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	34,689
<i>Total assets</i>	<u>31,533</u>	<u>38,406</u>	<u>1,978,595</u>
<b>LIABILITIES</b>			
<i>Current liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	31,533	-	902,621
Unearned revenue	-	-	-
<i>Total liabilities</i>	<u>31,533</u>	<u>-</u>	<u>902,621</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues - property taxes	-	-	-
Unavailable revenues - other	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	34,689
Restricted for:			
Grant mandates	-	17,840	343,062
Capital projects	-	-	-
Debt service	-	-	-
Assigned	-	20,566	698,720
Unassigned	-	-	(497)
<i>Total fund balances</i>	<u>-</u>	<u>38,406</u>	<u>1,075,974</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 31,533</u>	<u>\$ 38,406</u>	<u>\$ 1,978,595</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Food Services 21000	Athletics 22000	Student Activities 23000	Title I IASA 24101	IDEA-B Entitlement 24106
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	1,442,938	-	-	935,081	649,198
Miscellaneous	-	50	11,179	-	-
Charges for services	46,065	116,060	-	-	-
Investment income	489	-	2,624	-	-
<i>Total revenues</i>	<u>1,489,492</u>	<u>116,110</u>	<u>13,803</u>	<u>935,081</u>	<u>649,198</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	-	105,762	9,013	685,290	330,712
Support services					
Students	-	-	-	79,542	192,184
Instruction	-	-	-	424	-
General administration	-	-	-	31,796	22,057
School administration	-	-	-	102,709	813
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	1,580,924	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>1,580,924</u>	<u>105,762</u>	<u>9,013</u>	<u>899,761</u>	<u>545,766</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(91,432)</u>	<u>10,348</u>	<u>4,790</u>	<u>35,320</u>	<u>103,432</u>
<i>Other financing sources (uses):</i>					
Operating transfers	(3,733)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(3,733)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(95,165)	10,348	4,790	35,320	103,432
<i>Fund balances - beginning of year</i>	<u>501,969</u>	<u>166,366</u>	<u>39,614</u>	<u>(34,842)</u>	<u>(101,276)</u>
<i>Fund balances - end of year</i>	<u>\$ 406,804</u>	<u>\$ 176,714</u>	<u>\$ 44,404</u>	<u>\$ 478</u>	<u>\$ 2,156</u>

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	IDEA-B Preschool 24109	Fresh Fruits and Vegetables 24118	IDEA-B Results Plan 24132	English Language Acquisition 24153	Teacher/Principal Training & Recruiting 24154
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	75,037	57,587	59,109	22,587	123,835
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>75,037</u>	<u>57,587</u>	<u>59,109</u>	<u>22,587</u>	<u>123,835</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	19,636	-	59,004	21,370	118,822
Support services					
Students	52,485	-	46	-	-
Instruction	-	-	-	-	-
General administration	2,551	-	-	434	4,408
School administration	365	-	59	768	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	51,577	-	-	-
Community services	-	-	-	15	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>75,037</u>	<u>51,577</u>	<u>59,109</u>	<u>22,587</u>	<u>123,230</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>6,010</u>	<u>-</u>	<u>-</u>	<u>605</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	3,733	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3,733</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>9,743</u>	<u>-</u>	<u>-</u>	<u>605</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>(9,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605</u>

The accompanying notes are an integral part of these financial statements.



STATE OF NEW MEXICO

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Title I School Improvement 24162	Carl D Perkins Secondary - Current 24174	Carl D Perkins Secondary - Redistribution 24176	Johnson O'Malley 25131	Impact Aid Special Education 25145
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	43,613	34,780	3,914	76,241	53,857
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>43,613</u>	<u>34,780</u>	<u>3,914</u>	<u>76,241</u>	<u>53,857</u>
<i>Expenditures:</i>					
<i>Current:</i>					
Instruction	43,413	33,078	3,913	42,707	595
Support services					
Students	-	-	-	36,149	748
Instruction	-	509	-	-	-
General administration	200	1,193	-	2,783	2,504
School administration	-	-	-	9,135	60,682
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>43,613</u>	<u>34,780</u>	<u>3,913</u>	<u>90,774</u>	<u>64,529</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(14,533)</u>	<u>(10,672)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>(14,533)</u>	<u>(10,672)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,438</u>	<u>21,194</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 905</u>	<u>\$ 10,522</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Impact Aid Indian Education 25147	Title XIX Medicaid 3/21 Years 25153	Indian Ed Formula Grant 25184	Golden Apple Foundation 26163	Conoco Phillips School Grant 26200
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	-	-	-	-	-
Federal grants	162,753	493,691	192,810	-	-
Miscellaneous	-	-	-	2,970	45,701
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>162,753</u>	<u>493,691</u>	<u>192,810</u>	<u>2,970</u>	<u>45,701</u>
<i>Expenditures:</i>					
Current:					
Instruction	37,071	-	112,284	2,573	12,186
Support services					
Students	64,980	304,678	14,198	-	-
Instruction	-	-	-	-	-
General administration	5,585	-	7,665	-	-
School administration	42,894	-	58,663	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>150,530</u>	<u>304,678</u>	<u>192,810</u>	<u>2,573</u>	<u>12,186</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>12,223</u>	<u>189,013</u>	<u>-</u>	<u>397</u>	<u>33,515</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>12,223</u>	<u>189,013</u>	<u>-</u>	<u>397</u>	<u>33,515</u>
<i>Fund balances - beginning of year</i>	<u>43,919</u>	<u>108,828</u>	<u>2,395</u>	<u>-</u>	<u>5,186</u>
<i>Fund balances - end of year</i>	<u>\$ 56,142</u>	<u>\$ 297,841</u>	<u>\$ 2,395</u>	<u>\$ 397</u>	<u>\$ 38,701</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114	Truancy Initiative PED 27141	PreK Initiative 27149
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	6,178	24,466	1	64,998	405,437
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>6,178</u>	<u>24,466</u>	<u>1</u>	<u>64,998</u>	<u>405,437</u>
<i>Expenditures:</i>					
Current:					
Instruction	6,178	-	(16,848)	-	322,722
Support services					
Students	-	-	-	64,998	38,661
Instruction	-	24,466	-	-	-
General administration	-	-	-	-	4,164
School administration	-	-	-	-	9,985
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	-	-	-	30,402
Other support services	-	-	-	-	-
Food services operations	-	-	-	-	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>6,178</u>	<u>24,466</u>	<u>(16,848)</u>	<u>64,998</u>	<u>405,934</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>16,849</u>	<u>-</u>	<u>(497)</u>
<i>Other financing sources (uses):</i>					
Operating transfers	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>16,849</u>	<u>-</u>	<u>(497)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(16,849)</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (497)</u>

The accompanying notes are an integral part of these financial statements.

## STATE OF NEW MEXICO

Statement B-2

BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Indian Education Act 27150	2013 School Bus 27178	STEM Teacher Initiative 27181	NM Grown Fresh Fruits and Vegetables 27183	College Advisor Initiative 27189
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-	-	-
State grants	17,541	87,831	423,462	3,500	63,937
Federal grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
<i>Total revenues</i>	<u>17,541</u>	<u>87,831</u>	<u>423,462</u>	<u>3,500</u>	<u>63,937</u>
<i>Expenditures:</i>					
Current:					
Instruction	16,691	-	423,462	-	4,815
Support services					
Students	-	-	-	-	59,122
Instruction	-	-	-	-	-
General administration	850	-	-	-	-
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operation & maintenance of plant	-	-	-	-	-
Student transportation	-	87,831	-	-	-
Other support services	-	-	-	-	-
Food services operations	-	-	-	3,500	-
Community services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>17,541</u>	<u>87,831</u>	<u>423,462</u>	<u>3,500</u>	<u>63,937</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>					
Operating transfers	647	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	647	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>(647)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Teachers "hard to staff" Stipends 27195	Private Direct Grants 29102	Total
<i>Revenues:</i>			
Property taxes	\$ -	\$ -	\$ -
Oil and gas taxes	-	-	-
State grants	111,081	-	1,208,432
Federal grants	-	-	4,427,031
Miscellaneous	-	25,374	85,274
Charges for services	-	-	162,125
Investment income	-	-	3,113
<i>Total revenues</i>	<u>111,081</u>	<u>25,374</u>	<u>5,885,975</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Instruction	111,081	13,216	2,518,746
Support services			
Students	-	-	907,791
Instruction	-	-	25,399
General administration	-	-	86,190
School administration	-	-	286,073
Central services	-	-	-
Operation & maintenance of plant	-	-	-
Student transportation	-	-	118,233
Other support services	-	-	-
Food services operations	-	-	1,636,001
Community services	-	-	15
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>111,081</u>	<u>13,216</u>	<u>5,578,448</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>12,158</u>	<u>307,527</u>
<i>Other financing sources (uses):</i>			
Operating transfers	-	-	647
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>647</u>
<i>Net changes in fund balances</i>	-	12,158	308,174
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>26,248</u>	<u>767,800</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 38,406</u>	<u>\$ 1,075,974</u>

The accompanying notes are an integral part of these financial statements.

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**CAPITAL PROJECTS FUNDS**

## CAPITAL PROJECTS FUNDS DESCRIPTIONS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Bond Building (31100)** — To account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District. No minimum balance required according to legislation.



STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017

Statement C-1

	Bond Building 31100
<b>ASSETS</b>	
<i>Current assets:</i>	
Cash and temporary investments	\$ 20,978
Accounts receivable	
Taxes	-
Due from other governments	-
Interfund receivables	-
Other	-
Inventory	-
	<hr/>
<i>Total assets</i>	<u>20,978</u>
<b>LIABILITIES</b>	
<i>Current liabilities:</i>	
Accounts payable	-
Accrued payroll liabilities	-
Interfund payables	-
Unearned revenue	-
<i>Total liabilities</i>	<hr/> <u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues - property taxes	-
Unavailable revenues - other	-
<i>Total deferred inflows of resources</i>	<hr/> <u>-</u>
<b>FUND BALANCES</b>	
Nonspendable	-
Restricted for:	
Grant mandates	-
Capital projects	-
Debt service	-
Assigned	20,978
Unassigned	-
<i>Total fund balances</i>	<hr/> <u>20,978</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	 <u>\$ 20,978</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDING JUNE 30, 2017**

Statement C-2

	Bond Building 31100
	<u>31100</u>
<i>Revenues:</i>	
Property taxes	\$ -
Oil and gas taxes	-
State grants	-
Federal grants	-
Miscellaneous	-
Charges for services	-
Investment income	38
<i>Total revenues</i>	<u>38</u>
<i>Expenditures:</i>	
Current:	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	-
School administration	-
Central services	-
Operation & maintenance of plant	-
Student transportation	-
Other support services	-
Food services operations	-
Community service	-
Capital outlay	5,634
Debt service	
Principal	-
Interest	-
<i>Total expenditures</i>	<u>5,634</u>
<i>Excess (deficiency) of revenues</i> <i>over (under) expenditures</i>	<u>(5,596)</u>
<i>Other financing sources (uses):</i>	
Operating transfers	-
<i>Total other financing sources (uses)</i>	<u>-</u>
<i>Net changes in fund balances</i>	(5,596)
<i>Fund balances - beginning of year</i>	<u>26,574</u>
<i>Fund balances - end of year</i>	<u>\$ 20,978</u>

The accompanying notes are an integral part of these financial statements.

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**DEBT SERVICE FUNDS**

## **DEBT SERVICE FUNDS DESCRIPTIONS**

Debt Service Funds account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

**Deferred Sick Leave (42000)** – To account for funds set aside for paid and sick leave payouts upon retirement. No minimum balance required according to legislation.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2017

Statement D-1

	Deferred Sick Leave 42000
	<hr/>
<b>ASSETS</b>	
<i>Current assets:</i>	
Cash and temporary investments	\$ 58,199
Accounts receivable	
Taxes	-
Due from other governments	-
Interfund receivables	-
Other	-
Inventory	-
	<hr/>
<i>Total assets</i>	<u><u>58,199</u></u>
<b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts payable	-
Accrued payroll liabilities	-
Interfund payables	-
Unearned revenue	-
<i>Total liabilities</i>	<hr/> <u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenues - property taxes	-
Unavailable revenues - other	-
<i>Total deferred inflows of resources</i>	<hr/> <u>-</u>
<b>FUND BALANCES</b>	
Nonspendable	-
Restricted for:	
Grant mandates	-
Capital projects	-
Debt service	-
Assigned	58,199
Unassigned	-
<i>Total fund balances</i>	<hr/> <u>58,199</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	 <hr/> <u>\$ 58,199</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Statement D-2

	Deferred Sick Leave 42000
	<u>42000</u>
<i>Revenues:</i>	
Property taxes	\$ -
Oil and gas taxes	-
State grants	-
Federal grants	-
Miscellaneous	-
Charges for services	-
Investment income	-
<i>Total revenues</i>	<u>-</u>
<i>Expenditures:</i>	
Current:	
Instruction	-
Support services	
Students	-
Instruction	-
General administration	3,268
School administration	-
Central services	-
Operation & maintenance of plant	-
Student transportation	-
Other support services	-
Food services operations	-
Community services	-
Capital outlay	-
Debt service	
Principal	-
Interest	-
<i>Total expenditures</i>	<u>3,268</u>
<i>Excess (deficiency) of revenues</i>	
<i>over (under) expenditures</i>	<u>(3,268)</u>
<i>Other financing sources (uses):</i>	
Operating transfers	-
<i>Total other financing sources (uses)</i>	<u>-</u>
<i>Net changes in fund balances</i>	(3,268)
<i>Fund balances - beginning of year</i>	<u>61,467</u>
<i>Fund balances - end of year</i>	<u>\$ 58,199</u>

The accompanying notes are an integral part of these financial statements.

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**OTHER SUPPLEMENTAL INFORMATION**

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule III

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Bloomfield High School	\$ 97,767	\$ 136,976	\$ 147,767	\$ 86,976
Charlie Brown Secondary	3,261	334	300	3,295
Mesa Alta School	38,674	55,235	50,320	43,589
Blanco School	28,574	24,221	23,190	29,605
Central School	36,300	12,549	23,230	25,619
Naaba Ani School	26,401	24,787	18,355	32,833
Bloomfield Learning Center	27,592	9,892	8,009	29,475
H. Hayes Scholarship	9,037	23	2,000	7,060
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 267,606</u>	<u>\$ 264,017</u>	<u>\$ 273,171</u>	<u>\$ 258,452</u>
Less: Uncollected Checks				<u>-</u>
Total Fiduciary Fund Cash				<u>\$ 258,452</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF PLEDGED COLLATERAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule IV

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2017</u>
<b>Citizens Bank</b>				
	FNMA	9/25/2029	3136A9LL0	\$ 5,173,000
	FNMA	5/4/2026	3133EF5W3	3,963,200
Total Citizens Bank				<u>\$ 9,136,200</u>

The securities are held, not in the District's name, at:

FHLB - Dallas  
85000 Freeport Parkway South  
Irving, TX 75063

The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO  
 BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 1  
 SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS  
 JUNE 30, 2017

Schedule V

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks/Wires	Other Adjustments	Book Balance
<b>Citizens Bank</b>						
Operational	Checking	\$ 2,772,925	\$ 1,620	\$ (17,162)	\$ 350,714	\$ 3,108,097
Accounts Payable	Checking	\$ 1,616,063	(1,912)	(1,614,150)	1,220,856	\$ 1,220,857
Payroll Clearing	Checking	\$ 56,317	(22)	(56,295)	-	\$ -
Student Nutrition	Checking	\$ 335,952	2,562	-	-	\$ 338,514
Federal Funds	Checking	\$ 816,911	(613)	17,161	(350,714)	\$ 482,745
Bond Fund	Checking	\$ 20,978	-	-	-	\$ 20,978
Capital Improvements	Checking	\$ 2,941,067	-	-	-	\$ 2,941,067
Debt Service	Checking	\$ 5,784,342	-	-	-	\$ 5,784,342
Activity Account	Checking	\$ 470,135	(1,635)	-	-	\$ 468,500
Total Citizens Bank		<u>\$14,814,690</u>	<u>\$ -</u>	<u>\$ (1,670,446)</u>	<u>\$ 1,220,856</u>	<u>\$ 14,365,100</u>
<b>Bank of Albuquerque</b>						
Bond Sinking Fund	Trust	<u>\$ 651,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 651,272</u>
Cash on Hand						<u>\$ 50</u>
Total		<u>\$15,465,962</u>	<u>\$ -</u>	<u>\$ (1,670,446)</u>	<u>\$ 1,220,856</u>	<u>\$ 15,016,422</u>
Cash per financial statements						
Cash and cash equivalents - Government Activities Exhibit A-1						\$ 14,757,970
Fiduciary funds - Exhibit D-1						<u>258,452</u>
						<u>\$ 15,016,422</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF CASH RECONCILIATIONS**  
**JUNE 30, 2017**

Schedule VI

**Primary Government**

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000	Athletics 22000
Cash, June 30, 2016	\$ 4,505,311	\$ 49,238	\$ 167,135	\$ 468,170	\$ 163,803
Add:					
Current year revenues	21,756,155	942,595	181,111	1,373,364	116,110
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	-	-	-	-
Total cash available	26,261,466	991,833	348,246	1,841,534	279,913
Less:					
Current year expenditures	(21,132,282)	(990,982)	(303,407)	(1,499,237)	(114,270)
Permanent cash transfers	(647)	(851)	-	(3,733)	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	(902,621)	-	-	-	-
Cash, June 30, 2017	<u>\$ 4,225,916</u>	<u>\$ -</u>	<u>\$ 44,839</u>	<u>\$ 338,564</u>	<u>\$ 165,643</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF CASH RECONCILIATIONS**  
**JUNE 30, 2017**

Schedule VI

**Primary Government**

	Student Activities 23000	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000	Local / State 29000
Cash, June 30, 2016	\$ 39,614	\$ (816,969)	\$ 94,406	\$ 5,186	\$ (157,659)	\$ 26,248
Add:						
Current year revenues	13,803	2,348,338	982,369	48,671	1,061,249	25,374
Permanent cash transfers	-	3,733	-	-	647	-
Prior period adjustment	-	-	-	-	-	-
Loans from other funds	-	487,160	52,718	-	362,743	-
Total cash available	53,417	2,022,262	1,129,493	53,857	1,266,980	51,622
Less:						
Current year expenditures	(9,013)	(1,997,616)	(806,950)	(14,759)	(1,208,928)	(13,216)
Permanent cash transfers	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-
Loans to other funds	-	-	-	-	-	-
Cash, June 30, 2017	<u>\$ 44,404</u>	<u>\$ 24,646</u>	<u>\$ 322,543</u>	<u>\$ 39,098</u>	<u>\$ 58,052</u>	<u>\$ 38,406</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF CASH RECONCILIATIONS**  
**JUNE 30, 2017**

Schedule VI

**Primary Government**

	Bond Building 31100	Cap. Improv. SB 9 31700	Debt Service 41000	Deferred Sick Leave 42000	Total
Cash, June 30, 2016	\$ 26,574	\$ 2,546,326	\$ 6,816,904	\$ 61,467	\$ 13,995,754
Add:					
Current year revenues	38	2,518,580	5,539,432	-	36,907,189
Permanent cash transfers	-	-	-	-	4,380
Prior period adjustment	-	-	-	-	-
Loans from other funds	-	-	-	-	902,621
Total cash available	26,612	5,064,906	12,356,336	61,467	51,809,944
Less:					
Current year expenditures	(5,634)	(2,123,838)	(5,920,722)	(3,268)	(36,144,122)
Permanent cash transfers	-	-	-	-	(5,231)
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	(902,621)
Cash, June 30, 2017	<u>\$ 20,978</u>	<u>\$ 2,941,068</u>	<u>\$ 6,435,614</u>	<u>\$ 58,199</u>	<u>\$ 14,757,970</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2017

Schedule VII

Title: Joint Powers Agreement – Swimming Pool Operation

Participants: Bloomfield Municipal School District No. 6 and City of Bloomfield

Responsible Party: Bloomfield Municipal School District No. 6 and City of Bloomfield

Description: For the purposes of constructing, maintaining, and operating a swimming pool facility for the students and the public. Bloomfield Municipal School District No. 6 is responsible for constructing and insuring the facility. The City of Bloomfield will be the fiscal agent of the facility and will maintain and operate the facility.

Dates of Operation: January 10, 2005 to January 10, 2030. Renewable for two additional five year terms.

Projected Cost: Bloomfield Municipal Schools agrees to provide location and pay for construction costs in addition to carrying property damage insurance.

Audit Responsibility: City of Bloomfield

Reporting Responsibility: Revenues are collected and recorded by the City and are shared and recorded by both parties. Expenses are incurred and recorded by both parties.

The accompanying notes are an integral part of these financial statements.



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**COMPLIANCE SECTION**



# Manning Accounting and Consulting Services, LLC

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

### INDEPENDENT AUDITOR'S REPORT

Timothy Keller  
New Mexico State Auditor  
The Office of Management and Budget  
And the Board of Education of  
Bloomfield Municipal School District No. 6  
Bloomfield, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the General Fund of the Bloomfield Municipal School District No. 6 (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 24, 2017.

#### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial

statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items NM 2017-001, NM 2017-002, and NM 2017-003.

### **Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

October 24, 2017

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**FEDERAL FINANCIAL ASSISTANCE**



# Manning Accounting and Consulting Services, LLC

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

### INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor  
The Office of Management and Budget  
And the Board of Education of  
Bloomfield Municipal School District No. 6  
Bloomfield, New Mexico

#### Report on Compliance for Each Major Federal Program

We have audited the Bloomfield Municipal School District No. 6's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

#### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item FA 2017-001, FA 2017-002, and FA 2017-003 that we consider to be significant deficiencies.

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC  
Kirtland, New Mexico  
October 24, 2017



**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VIII

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Education</b>			
<i>Passthrough State of New Mexico Public Education Department</i>			
<b>Special Education Cluster (IDEA)</b>			
IDEA B - Entitlement	24106	84.027	\$ 545,766
IDEA-B Results Plan	24132	84.027	59,109
IDEA-B Preschool	24109	84.173	75,037
<b>Total Special Education Cluster (IDEA)</b>			<u>679,912</u>
<b>Other Programs (Treated individually for major program determination)</b>			
Carl D Perkins Secondary - Current	24174	84.048A	34,780
Carl D Perkins Secondary - Redistribution	24176	84.048A	3,913
Subtotal CFDA # 84.048A			<u>38,693</u>
Title I IASA	24101	84.010	899,761
English Language Acquisition	24153	84.365A	22,587
Teacher/Principal Training & Recruiting	24154	84.367	123,230
Title I School Improvement	24162	84.377A	43,613
<b>Total Other Programs</b>			<u>1,127,884</u>
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			
			<u>1,807,796</u>
<i>Direct U.S. Department of Education</i>			
<b>Other Programs (Treated individually for major program determination)</b>			
<b>Impact Aid</b>			
Impact Aid (1)	11000	84.041	326,730
Impact Aid Special Education (1)	25145	84.041	64,529
Impact Aid Indian Education (1)	25147	84.041	150,530
<b>Total Impact Aid</b>			<u>541,789</u>
Indian Ed Formula Grant (1)	25184	84.060	192,810
<b>Total Other Programs</b>			<u>734,599</u>
<i>Subtotal - Direct U.S. Department of Education</i>			
			<u>734,599</u>
<b>Total U.S. Department of Education</b>			
			<u>2,542,395</u>
<b>U.S. Department of Interior</b>			
<i>Direct U.S. Department of Interior</i>			
Johnson O'Malley	25131	15.130	90,774
<b>Total U.S. Department of Interior</b>			<u>90,774</u>
<b>U.S. Department of Defense</b>			
<i>Direct U.S. Department of Defense</i>			
National Guard Military Projects	11000	12.401	63,031
<b>Total U.S. Department of Defense</b>			<u>63,031</u>
<b>U.S. Department of Agriculture</b>			
<i>Passthrough State of New Mexico Public Education Department</i>			
<b>Other Programs (Treated individually for major program determination)</b>			
Fresh Fruit and Vegetables	24118	10.582	51,577
<b>Child Nutrition Cluster</b>			
USDA School Breakfast Program (1)	21000	10.553	409,402
National School Lunch Program (1)	21000	10.555	1,063,547
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities) (1)	21000	10.553/10.555	107,975
<b>Total Child Nutrition Cluster</b>			<u>1,580,924</u>
<i>Subtotal - Passthrough State of New Mexico Public Education Department</i>			
			<u>1,524,526</u>
<i>Subtotal - Passthrough State of Department of Health and Human Services</i>			
			<u>107,975</u>
<b>Total U.S. Department of Agriculture</b>			<u>1,632,501</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 4,328,701</u>

The accompanying notes are an integral part of these financial statements.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule VIII

**Notes to Schedule of Expenditures of Federal Awards**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Sub recipients

The District did not provide any federal awards to sub recipients during the year.

3. Non Cash Federal Assistance

The District receives USDA commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2017 was \$107,975 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA numbers 10.553 and 10.555. Commodities are recorded as revenues and expenditures in the Food Service Fund.

4. Indirect Cost Rate

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by the State of New Mexico, and the District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures. The District's indirect cost rate for the year was 3.52%

5. Matching Costs

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

6. Insurance

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

7. Loan or Loan Guarantees

There were no loans or loan guarantees outstanding at year-end.

**Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:**

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 4,328,701
Total expenditures funded by other sources	<u>44,111,197</u>
Total expenditures	<u><u>\$ 48,439,898</u></u>

(1) Denotes Major Federal Financial Assistance Program

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Section I – Summary of Audit Results**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weakness in internal control identified?                             | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| c. Noncompliance material to financial statements noted?                         | None Noted |

*Federal Awards:*

- |   |            |
|---|------------|
| 1. Internal control over major programs:  |            |
| a. Material weaknesses identified?  | None Noted |
| b. Significant deficiencies identified not considered to be material weaknesses?                      | Yes        |
| 2. Type of auditor’s report issued on compliance for major programs:                                  | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR-200.516(a)? | None Noted |
| 4. Identification of major programs:  |            |

CFDA Number	Federal Program
84.041 10.553/10.555	Impact Aid Child Nutrition Cluster

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule IX

**Section II – Financial Statement Findings**

None identified

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule IX

**Section III – Federal Award Findings**

**FA 2017-001– Indirect Costs Charged Exceeded Allowable Rate (Significant Deficiency)**

**Federal Program Information:**

Funding Agency: U.S. Department of Education  
Title: Impact Aid and Indian Ed Formula Grant  
CFDA Number: 84.041 and 84.060  
Direct Grants  
Award Year: 2017

**Criteria:** According to the Uniform Grant Guidance non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require matching of reports submitted to supporting documentation. Additionally, OMB Circular A-87 Cost Principle for State, Local and Indian Tribal Governments establishes principles and standards for determining allowable direct and indirect costs for Federal Awards.

**Condition:** During our review of indirect costs and related documentation, we identified that the three funds under review in the current year had exceeded their allowed indirect costs. The allowable indirect cost percentage from the New Mexico Public Education Department for FY 2016-2017 is 3.53%. Fund 25145 had indirect costs of 4.04%; fund 25147 had indirect costs of 3.77%; and fund 25184 had indirect costs of 4.14%. The District exceeded the indirect cost rate resulting in an overcharge of \$321.00, \$368.00, and \$1,148.00, respectively.

**Cause:** District personnel did not ensure that the correct indirect cost percentages were applied to Federal funds.

**Effect:** The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse costs charged to the program.

**Auditor's Recommendation:** The District should ensure that a comprehensive internal control structure, including mechanisms to identify risks of faulty reporting, is designed, documented, and implemented. The District should ensure that the correct indirect costs are charged to the Federal funds. The body charged with governance should provide effective oversight of the internal control and financial reporting process.

**Responsible official's view:**

- Specific corrective action plan for finding: **Finance Director/Business Manager will develop a formula/spreadsheet to ensure that correct indirect costs are charged on a quarterly basis.**
- Timeline for completion of corrective action plan: **Immediately**
- Employee position(s) responsible for meeting the timeline: **Finance Director/Federal Programs Director**

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

Schedule IX

**Section III – Federal Award Findings (Continued)**

**FA 2017-002 – Improper Cost Allocation (Significant Deficiency)**

**Federal Program Information:**

Funding Agency: U.S. Department of Education

Title: Indian Ed Formula Grant

CFDA Number: 84.060

Direct Grant

Award Year: 2017

**Criteria:** 2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

**§ 200.405 Allocable costs**

- (a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
- (1) Is incurred specifically for the Federal award;
  - (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
  - (3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart

**Condition:** The District paid an employee out of fund 25184 when the employee should have been paid out of 25147. The employee was not involved in bilingual education.

**Cause:** The District paid an employee from a Federal fund from which the employee was not eligible to be paid.

**Effect:** The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program.

**Auditor's Recommendation:** The District should ensure that all employees are correctly assigned to their respective funds and that Federal funds are not paying the salary of employees not assigned to an allocable cost of the Federal program.

**Responsible official's view:**

- Specific corrective action plan for finding: **The employee's salary will be assigned the correct funding string.**
- Timeline for completion of corrective action plan: **Immediately**
- Employee position(s) responsible for meeting the timeline: **Federal Programs Director; Human Resource Director; and Finance Director**

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

Schedule IX

**Section III – Federal Award Findings (Continued)**

**FA 2017-003 – Impact Aid Application Issues (Significant Deficiency)**

**Federal Program Information:**

Funding Agency: U.S. Department of Education  
Title: Impact Aid Special Education and Indian Education  
CFDA Number: 84.041  
Direct Grant  
Award Year: 2017

**Criteria:** According to the Uniform Grant Guidance non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require matching of reports submitted to supporting documentation. Additionally, the 2017 Compliance Supplement from the U.S. Department of Education provided guidelines for the auditor to test with regards to reporting, including the annual application.

**Condition:** During our review of the Impact Aid application, we identified the following issues:

- One of five students tested who was listed as a special education student in the count provided to us did not have a valid Individualized Education Plan (IEP) identifying the student as a special education student.
- Four of 25 students tested did not have valid student verifications on file certifying that the student lived on Navajo lands as claimed in the application.
- Listings of students being certified by local chapter officials of the Navajo Nation and Bureau of Indian Affairs (BIA) officials did not contain sufficient documentation that allowed the auditor to verify that the lists provided to the auditors included the same names provided to these officials as the lists come from an Excel spreadsheet and no initialing from the officials exist on these forms, nor is there any pagination that indicates how many pages the officials viewed.
- The certifications from parents, tribal officials, and BIA officials are dated after the date the application was submitted raising questions as to how the District knew that all students would be certified as to living on Navajo lands.

**Cause:** District personnel did not obtain certifications soon enough in the process to have all included and processed prior to the submission date of the grant. Additionally, the District is not creating a form which is being certified by tribal and BIA officials that allows for verification that all names are reviewed and certified.

**Effect:** The District is not in compliance with Federal regulations related to the grant and could put funding in jeopardy or require the District to reimburse the program. Students included in the funding calculation may not meet eligibility requirements or sufficient documentation may not be in place to certify eligibility according to grant requirements.

**Auditor's Recommendation:** The District should ensure that a comprehensive internal control structure, including mechanisms to identify risks of faulty reporting, is designed, documented, and implemented. We recommend that certifications be obtained early in the process after the survey date but before submission of the grant, and that these certifications contain sufficient documentation to verify that tribal and BIA officials are certifying all students included on the listing. The body charged with governance should provide effective oversight of the internal control and financial reporting process.

**Responsible official's view:**

- Specific corrective action plan for finding: **The certification process will start earlier, and forms will be created for certification by tribal officials.**
- Timeline for completion of corrective action plan: **December, 2017**
- Employee position(s) responsible for meeting the timeline: **Federal and Special Programs Directors**

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

Schedule IX

**Section IV – Section 12-6-5 NMSA 1978 Findings**

**NM 2017-001 – [FS 2016-001] – Failure to Follow Bid-RFP Procedures (Compliance and Other Matters)  
Repeated and Revised**

**Criteria:** 1.4.1.15 NMAC 1978 **COMPETITIVE SEALED BIDS REQUIRED: All procurement shall be achieved by competitive sealed bids except procurement achieved pursuant to the following methods:**

- A. competitive sealed proposals;
- B. small purchases;
- C. sole source procurement;
- D. emergency procurement;
- E. procurement under existing contracts; and
- F. purchases from anti-poverty program businesses.

**1.4.1.16 NMAC 1978 INVITATION FOR BIDS ("IFB"):**

A. General. The invitation for bids ("IFB"), also sometimes referred to as the invitation to bid (ITB), is used to initiate a competitive sealed bid procurement. The IFB shall include the following:

(1) the specifications for the services, construction or items of tangible personal property to be procured, except that professional services and a design and build project delivery system cannot be procured with an IFB pursuant to 13-1-111 NMSA 1978;

(2) all contractual terms and conditions applicable to the procurement including any requirements for complying with applicable preferences provided in law;

(3) the term of the contract and conditions of renewal or extension, if any;

(4) instructions and information to bidders, including the location where bids are to be received and the date, time and place of the bid opening;

(5) a notice that the IFB may be canceled and that any and all bids may be rejected in whole or in part when it is in the best interest of the state of New Mexico; and

(6) a notice that reads substantially as follows: The Procurement Code, 13-1-28 through 13-1-199 NMSA 1978, imposes civil, misdemeanor and felony criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kick-backs.

B. Incorporation by reference. The IFB may incorporate documents by reference, provided that the IFB specifies where such documents can be obtained.

C. Evaluation criteria. The IFB shall set forth the evaluation criteria that will be used to determine acceptability such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria such as discounts, transportation costs and total or life-cycle costs that will affect the bid price shall be objectively measurable. No criteria may be used in bid evaluation that are not set forth in the IFB.

D. Bid form. The IFB shall provide a form which shall include space in which the bid price shall be inserted and which the bidder shall sign and submit along with all other necessary submissions. A bidder may submit a reasonable facsimile of the bid form. Oral, telephonic and telegraphic bids except as provided in this subsection are invalid and shall not be considered. Telegraphic or bids sent via FAX to a third party and delivered in a sealed envelope to the location where bids are to be received by the date and time shown in the bid, will be accepted for consideration.

E. Bid samples and descriptive literature.

(1) "Descriptive literature" means information available in the ordinary course of business that shows the characteristics, construction, or operation of an item.

(2) "Bid sample" means a sample furnished by a bidder that shows the characteristics of an item offered in the bid.

(3) Bid samples or descriptive literature may be required when it is necessary to evaluate required characteristics of the item bid.

(4) Bid samples, when required, shall be furnished free of expense to the state and prior to the time set for the opening of bids. Samples not destroyed or mutilated in testing will be returned upon request by mail, express or freight, collect. Each sample must be labeled to clearly show the bid number and the bidder's name.



STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

Schedule IX

**Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)**

**NM 2017-001 – [FS 2016-001] – Failure to Follow Bid-RFP Procedures (Compliance and Other Matters) Repeated and Revised (Continued)**

F. Bidding time. Bidding time is the period of time between the date of distribution of the IFB and the time and date set for receipt of bids. In each case bidding time shall be set to provide bidders a reasonable time to prepare their bids. In no case shall the bidding time be shorter than the time required for publication under 1.4.1.17 NMAC of this rule.

**1.4.1.17 NMAC 1978 PUBLIC NOTICE INVITATION FOR BID:** Publication. The IFB or notice thereof shall be published not less than ten calendar days prior to the date set for the opening of bids. The IFB or notice must be published once in at least three newspapers of general circulation in this state.

A. These requirements of publication are in addition to any other procedures that may be adopted by the state purchasing agent to notify prospective bidders that bids will be received, including but not limited to publication in trade journals, if available.

B. **Bidder lists. The state purchasing agent shall send copies of the notice or IFB involving the expenditure of more than sixty thousand dollars (\$60,000) to those businesses which have signified in writing an interest in submitting bids for particular categories of items of tangible personal property, construction and services and which have paid any required fees. (13-1-104 NMSA 1978).** Reference is also given to [1.4.1.48 NMAC](#) of this rule.

C. Public availability. A copy of the IFB shall be made available for public inspection at the office of the state purchasing agent.

**Finally, 1.4.1.67 NMAC 1978: COPIES OF CONTRACTS AND PRICE AGREEMENTS:**

A central purchasing office shall retain for public inspection and for the use of auditors a copy of each state purchasing agent contract or current price agreement relied upon to make purchases without seeking competitive bids.

**Condition:** During our testing of individually significant items we identified the following instances in which proper procedures were not followed:

- In 2 of 27 items tested the District did not go out for competitive bid. A vendor was paid \$107,400 to resurface the District's parking lots. A second vendor was paid \$90,000 to install GPS devices on buses.
- In 5 of 27 items tested the District did not have a current CES contract for vendors who were awarded contracts without getting quotes for projects over \$20,000 or competitive bids for projects over \$60,000.

In the prior year's audit 2 vendors were paid \$79,464 and more than \$100,000 without securing a bid for services.

**Cause:** The District has not followed State guidelines for purchases requiring invitation for bids and did not follow all guidelines for no bid contracts.

**Effect:** The District is not in compliance with State Purchasing Guidelines and could have their bidding procedures challenged. Additionally, the District may not be obtaining the best possible price for services.

**Auditor's Recommendation:** We recommend that the District review all potential contracts they have which may require bids be obtained. After identifying any possible instances, the District should put these items out for bid in order to be in compliance with State and District policies. If the District believes that the item they are obtaining is a valid sole source item, the District should document this properly and follow all sole-source procedures as outlined in statute.

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule IX

**Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)**

**NM 2017-001 – [FS 2016-001] – Failure to Follow Bid-RFP Procedures (Compliance and Other Matters)**  
**Repeated and Revised (Continued)**

*Responsible official's view:*

- Specific corrective action plan for finding: **Any projects over \$20,000 the district will get 3 quotes and any projects over \$60,000 the district will go out to bid. The district will follow State guidelines for purchasing requirements.**
- Timeline for completion of corrective action plan: **Immediately**
- Employee position(s) responsible for meeting the timeline: **Finance Director**

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

Schedule IX

**Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)**

**NM 2017-002 – [FS 2015-004] – Purchase Orders Not in Place Prior to Purchase (Compliance and Other Matters) Repeated and Revised**

*Criteria:* Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “**the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services, or construction.**....For each individual purchase contract, a receiving document or other recording instrument (i.e., electronic) shall be present at the delivery site to record the delivery of items or service. Upon verifying and recording the receipt of all the items or services ordered, the receiving document or recording instrument shall be manually or electronically signed by authorized receiving personnel and processed for payment according to procedures established by school district or charter school boards’ of education local procedures.”

**13-1-157 NMSA 1978 Receipt; inspection; acceptance or rejection of deliveries.**

The using agency is responsible for inspecting and accepting or rejecting deliveries. The using agency shall determine whether the quantity is as specified in the purchase order or contract and whether the quality conforms to the specifications referred to or included in the purchase order or contract. If inspection reveals that the delivery does not conform to the quantity or quality specified in the purchase order or contract, the using agency shall immediately notify the central purchasing office. The central purchasing office shall notify the vendor that the delivery has been rejected and shall order the vendor to promptly make a satisfactory replacement or supplementary delivery. In case the vendor fails to comply, the central purchasing office shall have no obligation to pay for the nonconforming items of tangible personal property. If the delivery does conform to the quantity and quality specified in the purchase order or contract, the using agency shall certify to the central purchasing office that delivery has been completed and is satisfactory.

Additionally, [13-1-158 NMSA 1978](#) states:

“**No warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction or items of tangible personal property unless the central purchasing office or the using agency certifies that the services, construction or items of tangible personal property have been received and meet specifications or unless prepayment is permitted under [Section 13-1-98](#) NMSA 1978 by exclusion of the purchase from the Procurement Code [ [13-1-28](#) NMSA 1978].**”

*Condition:* During our review of disbursements we noted the following instances in which proper procedures were not followed:

- In 2 of 25 items tested the purchase invoice was not in place prior to the purchase of goods and or services. The value of these disbursements were \$62.90 and \$4,699.80.

In the prior year’s audit there was 1 instance in which there was not a purchase order in place prior to goods or services being purchased.

*Cause:* District personnel have not followed state guidelines or internal procedures in the payment of services. Policy clearly states that the District must have a signed purchase order in place prior to receiving goods and or services.

*Effect:* Internal control over expenditures and the ability of responsible parties to appropriately monitor budgets for which they bear responsibility may be compromised. Not being in compliance with these requirements places the District and the Board at risk for fraud or misuse of public funds

*Auditor’s Recommendation:* We recommend that all personnel be reminded of, or trained in, District and state policy in regards to payment of goods, services, or construction. All District personnel need to be aware that a purchase order must be approved prior to the receipt of goods and.

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

Schedule IX

**Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)**

**NM 2017-002 – [FS 2015-004] – Purchase Orders Not in Place Prior to Purchase (Compliance and Other Matters) Repeated and Revised (Continued)**

*Responsible official's view:*

- Specific corrective action plan for finding: **The Business office staff will continue to train on the policy of purchase order prior to ordering of goods and services and signature of receipts.**
- Timeline for completion of corrective action plan: **Annually and follow up when needed**
- Employee position(s) responsible for meeting the timeline: **Business Staff**

STATE OF NEW MEXICO  
BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

Schedule IX

**Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)**

**NM 2017-003 – Failure to Notify State Auditor of Disposition of Assets (Non-Compliance or Other Matter)**

***Criteria: 13-6-1 NMSA 1978 Disposition of obsolete, worn-out or unusable tangible personal property:***

A. The governing authority of each state agency, local public body, school district and state educational institution may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:

- (1) **of a current resale value of five thousand dollars (\$5,000) or less; and**
- (2) **worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.**

B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:

- (1) **designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and**
- (2) **give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.**

C. **A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act.**

D. The governing authority shall dispose of the tangible personal property by negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico or by negotiated sale or donation to other state agencies, local public bodies, school districts, state educational institutions or municipalities or through the central purchasing office of the governing authority by means of competitive sealed bid or public auction or, if a state agency, through the surplus property bureau of the transportation services division of the general services department.

E. A state agency shall give the surplus property bureau of the transportation services division of the general services department the right of first refusal when disposing of obsolete, worn-out or unusable tangible personal property of the state agency.

F. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D or E of this section, the governing authority may sell or, if the property has no value, donate the property to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986.

G. If the governing authority is unable to dispose of the tangible personal property pursuant to Subsection D, E or F of this section, it may order that the property be destroyed or otherwise permanently disposed of in accordance with applicable laws.

H. If the governing authority determines that the tangible personal property is hazardous or contains hazardous materials and may not be used safely under any circumstances, the property shall be destroyed and disposed of pursuant to Subsection G of this section.

I. No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state educational institution; provided that nothing in this subsection precludes an employee from participating and bidding for public property at a public auction.

***Condition:*** The District disposed of a former waste water treatment plant tank during the school year and failed to notify the State Auditor or any other governing authority at the State level. The District did not follow the appropriate steps prior to the disposal of obsolete or worn out tangible personal property. The treatment facility was taken out of service decades ago and a large tank remained which was considered an eye-soar by neighbors. The District agreed to dismantle the tank. No additional equipment was involved; no waste water treatment liabilities accompany the tank; and no remediation costs are associated with the tank.

***Cause:*** District personnel did not follow proper disposition of assets procedures established by the State. District personnel were unaware of the requirements for disposal of assets with a value less than \$5,000. District personnel believed that assets less than \$5,000 and worn-out and obsolete assets only required Board approval for disposition.

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FOR THE YEAR ENDED JUNE 30, 2017

Schedule IX

**Section IV – Section 12-6-5 NMSA 1978 Findings (Continued)**

**NM 2017-003 – Failure to Notify State Auditor of Disposition of Assets (Non-Compliance or Other Matter) (Continued)**

*Effect:* The District was not in compliance with guidelines of the State for disposition of assets. The disposal of assets without proper controls can lead to the misappropriation of assets in the extreme and can lead to maintaining improper asset records at a minimum.

*Auditors' Recommendations:* We recommend that the District emphasize the importance of adherence to State guidelines in regards to asset dispositions and ensure that assets are not disposed without proper documentation and approval. Additionally, District personnel who dispose of assets should be trained in the importance of following State and District procedures for the proper disposal of assets.

*Responsible Official's View:*

- Specific corrective action plan for finding: **The District will notify the State Auditor of any disposition of any assets owned by the District.**
- Timeline for completion of corrective action plan: **Immediately**
- Employee position(s) responsible for meeting the timeline: **Finance Director**

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**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO. 6**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Schedule IX

**Section V – Prior Year Audit Findings**

**Financial Statement Findings**

FS 2015-004 – Purchase Orders and Payment Authorization – Repeated and Revised (Reclassified to NM 2017-002)  
FS 2016-001 – Failure to Follow Bid/RFP and Sole Source Procedures – Repeated and Revised (Reclassified to NM 2017-001)  
FS 2016-002 – Background Checks – Resolved  
FS 2016-003 – Incorrect Travel and Per Diem Reimbursement – Resolved  
FS 2016-004 – Improper Cash Controls Outstanding Warrants - Resolved

**Federal Awards Findings**

FA 2016-001 – Annual Report Card High School Graduation Rate for Title I – Resolved

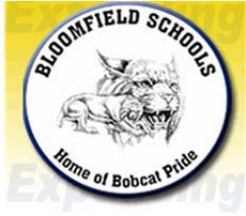
**Section 12-6-5 NMSA 1978 Findings**

None

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**UNAUDITED SUPPLEMENTAL INFORMATION**



# Bloomfield Schools

Dr. Kimberly Mizell, Superintendent

## 2015 AUDIT

### Financial Statement Findings

FS 2015-001 Improper Approval of Budget Adjustment – Resolved

FS 2015-002 Improper Recording of Journal Entries – Resolved

FS 2015-003 Timeliness of Deposits and Recording of Deposits - Resolved

FS 2015-004 Purchase Orders and Payment Authorization – **RENAMED TO 2017-002**

**(This may never be resolved. It relates to a New Mexico requirement, a Purchase Order must always be in place prior to products or service being ordered. We have a number of people who can initiate purchases and may at time initiate purchases prior to having a PO.)**

FS 2015-005 Improper Mileage Reimbursement – Resolved

FS 2015-006 Segregation of Duties – Resolved

FS 2015-007 Cash Appropriations in Excess of Available Cash Balance – Resolved

### Federal Awards Findings

FA 2015-001 Improper Maintenance of Personnel Activity Reports – Resolved

FA 2015-002 Purchase Order and Payment Authorization – Resolved

FA 2015-003 Procurement and Suspension and Debarment – Resolved

## 2016 AUDIT

### Financial Statement Findings

FS 2015-004 – Purchase Orders and Payment Authorization – Repeated and Revised **RENAMED TO 2017-002**  
**(This may never be resolved. It relates to a New Mexico requirement, a Purchase Order must always be in place prior to products or service being ordered. We have a number of people who can initiate purchases and may at time initiate purchases prior to having a PO.)**

FS 2016-001 – Failure to Follow Bid/RFP and Sole Source Procedures – Repeated and Revised (Reclassified to NM 2017-001) **RENAMED TO 2017-001 (This is also a New Mexico requirement. Repeated the following year but, by a different department. RFP's/Bids/Sole Sources are being contained to the Finance Department and approved by the CPO.)**

FS 2016-002 – Background Checks – Resolved

FS 2016-003 – Incorrect Travel and Per Diem Reimbursement – Resolved

FS 2016-004 – Improper Cash Controls Outstanding Warrants - Resolved

### Federal Awards Findings

FA 2016-001 – Annual Report Card High School Graduation Rate for Title I – Resolved

## 2017 AUDIT

### Financial Statement Findings

None

## **Federal Awards Findings**

### **FA 2017-001– Indirect Costs Charged Exceeded Allowable Rate (Significant Deficiency)**

- Specific corrective action plan for finding: Finance Director/Business Manager will develop a formula/spreadsheet to ensure that correct indirect costs are charged on a quarterly basis.
- Timeline for completion of corrective action plan: December, 2017
- Employee position(s) responsible for meeting the timeline: Finance Director/Business Manager/ Federal Programs Director

### **FA 2017-002 – Improper Cost Allocation (Significant Deficiency)**

- Specific corrective action plan for finding: The employee’s salary will be assigned the correct funding string.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Federal Programs Director; Human Resource Director; and Finance Director

### **FA 2017-003 – Impact Aid Application Issues (Significant Deficiency)**

- Specific corrective action plan for finding: The certification process will start earlier, and forms will be created for certification by tribal officials.
- Timeline for completion of corrective action plan: December, 2017
- Employee position(s) responsible for meeting the timeline: Federal Programs Director and Special Programs Director

## **New Mexico Findings**

### **NM 2017-001 – [FS 2016-001] – Failure to Follow Bid-RFP Procedures (Compliance and Other Matters) Repeated and Revised**

- Specific corrective action plan for finding: Any projects over \$20,000 the district will get 3 quotes and any projects over \$60,000 the district will go out to bid. The district will follow State guidelines for purchasing requirements.
- Timeline for completion of corrective action plan: Immediately
- Employee position(s) responsible for meeting the timeline: Finance Director

### **NM 2017-002 – [FS 2015-004] – Purchase Orders Not in Place Prior to Purchase (Compliance and Other Matters) Repeated and Revised**

- Specific corrective action plan for finding: The Business office staff will continue to train on the policy of purchase order prior to ordering of goods and services and signature of receipts.

- Timeline for completion of corrective action plan: Annually and follow up when needed
- Employee position(s) responsible for meeting the timeline: Business Staff

**NM 2017-003 – Failure to Notify State Auditor of Disposition of Assets (Non-Compliance or Other Matter)**

- Specific corrective action plan for finding: The District will notify the State Auditor of any disposition valued of \$5,000 or less for disposal.
- Timeline for completion of corrective action plan: Immediately OR upon the need to dispose of any items belonging to the district.
- Employee position(s) responsible for meeting the timeline: Finance Director/ Warehouse Coordinator

**STATE OF NEW MEXICO**  
**BLOOMFIELD MUNICIPAL SCHOOL DISTRICT NO.6**  
**OTHER DISCLOSURES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Auditor Prepared Financial Statements**

Manning Accounting and Consulting Services, LLC prepared the GAAP-basis financial statements and footnotes of Bloomfield Municipal School District No. 6 from the original books and records provided to them by the management of the District. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements. The responsibility for the financial statements remains with the District.

**Exit Conference**

The contents of this report were discussed on October 24, 2017. The following individuals were in attendance.

**Bloomfield Municipal School District No. 6**

Dr. Kimberly Mizell, Superintendent  
Dale J. Maes, School Board President  
Tony DeHerrera, Board Member  
Jenie Milton, Audit Committee Finance Member  
Debbie Hernandez, Audit Committee Parent Member  
Jodie Maestas, Finance Director

**Manning Accounting and Consulting Services, LLC**

Byron R. Manning, CPA, Managing Partner  
Chris Manning, Staff Accountant